

Zee Media Corporation Limited  
Annual Report 2015-16



॥ VASUDHAIVA KUTUMBAKAM ॥  
THE WORLD IS MY FAMILY

# India. Positive



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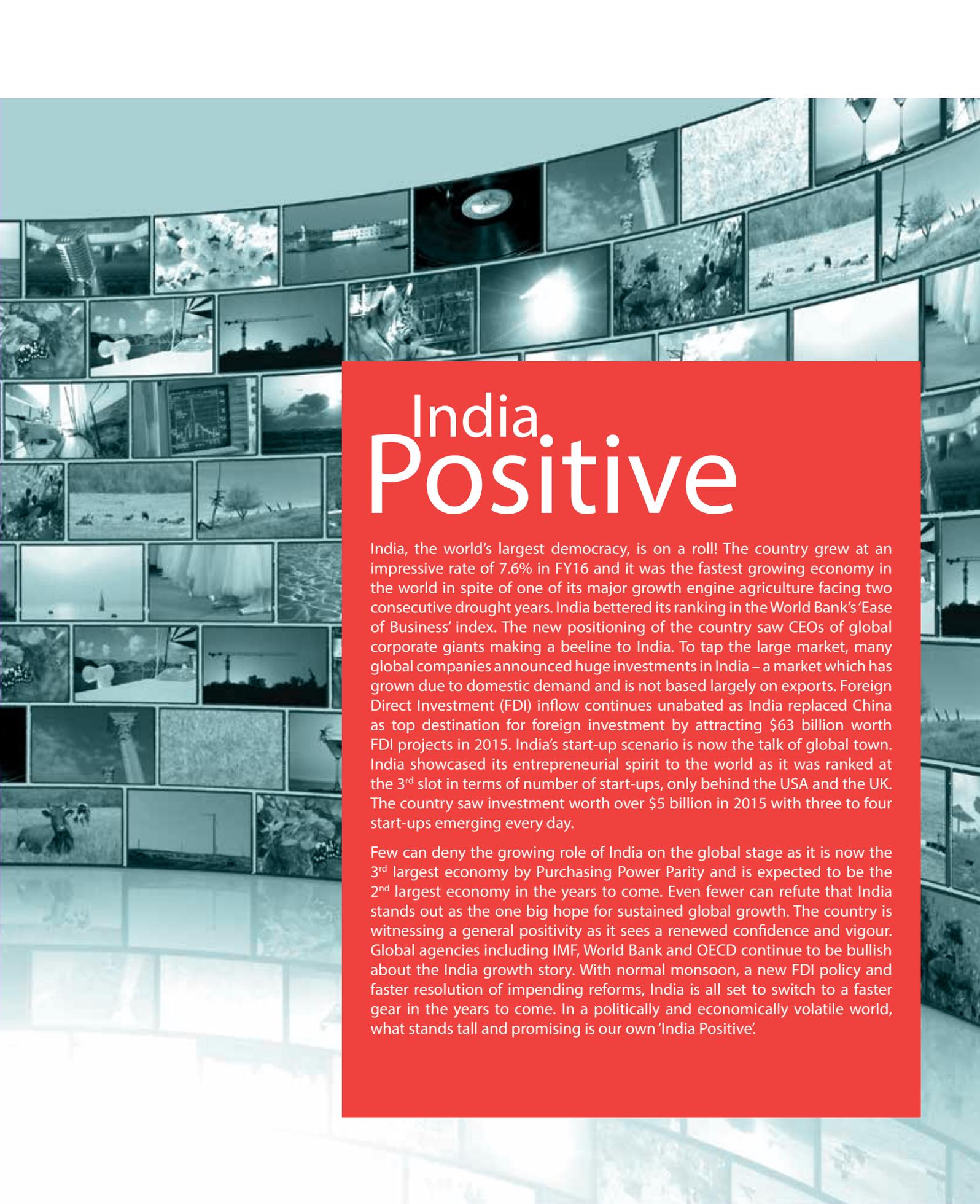


## Financial Statements

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### Cautionary Statement

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and to take informed investment decisions. This report and other statements-written or oral-that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any decision of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. Readers are cautioned that this annual report contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, and dependence on availability of qualified and trained manpower and other factors. We undertake no obligation to publicly update any observation, whether as a result of new information, future events or otherwise.



# India. Positive

India, the world's largest democracy, is on a roll! The country grew at an impressive rate of 7.6% in FY16 and it was the fastest growing economy in the world in spite of one of its major growth engine agriculture facing two consecutive drought years. India bettered its ranking in the World Bank's 'Ease of Business' index. The new positioning of the country saw CEOs of global corporate giants making a beeline to India. To tap the large market, many global companies announced huge investments in India – a market which has grown due to domestic demand and is not based largely on exports. Foreign Direct Investment (FDI) inflow continues unabated as India replaced China as top destination for foreign investment by attracting \$63 billion worth FDI projects in 2015. India's start-up scenario is now the talk of global town. India showcased its entrepreneurial spirit to the world as it was ranked at the 3<sup>rd</sup> slot in terms of number of start-ups, only behind the USA and the UK. The country saw investment worth over \$5 billion in 2015 with three to four start-ups emerging every day.

Few can deny the growing role of India on the global stage as it is now the 3<sup>rd</sup> largest economy by Purchasing Power Parity and is expected to be the 2<sup>nd</sup> largest economy in the years to come. Even fewer can refute that India stands out as the one big hope for sustained global growth. The country is witnessing a general positivity as it sees a renewed confidence and vigour. Global agencies including IMF, World Bank and OECD continue to be bullish about the India growth story. With normal monsoon, a new FDI policy and faster resolution of impending reforms, India is all set to switch to a faster gear in the years to come. In a politically and economically volatile world, what stands tall and promising is our own 'India Positive'.



## News that augments positivity and progress

Zee Media Corporation Limited (ZMCL) seeks to stand out among the culture of tabloid journalism and sensationalism. Through on-ground research, the network's strategy has evolved to centre around providing content which is differentiated in nature and cuts through the clutter by focusing on positive, informative and interactive news. The network's efforts to highlight the positives in the country have time and again received special mentions from the Prime Minister in his monthly 'Mann ki Baat' programme.

As a pioneer in the industry, the Company seeks to reinforce its commitment through engaging and thought provoking content. There is a constant endeavour to understand and increase collaboration with the change agents who are creating a positive impact on the development of our country. This philosophy has helped the Company create hard hitting, path breaking and change inducing content. Given the pressure cooker lifestyle of the students in Kota, the hub for coaching for IIT and medical and also the student suicide capital, a relentless campaign by ZMCL saw the district administrations release a list of new guidelines for the coaching institutes which will protect the students from losing their precious lives.

ZMCL continues to deliver news content in a manner which resonates with the target audience. Apart from educating and creating awareness via its news channels, newspaper and news websites, the network regularly organizes user benefit programmes, such as 'Aapka Faayda' investor camps, that empower and enable investors to plan their investments better. 'Aapla Shahar Aapla Awaaz' provides a platform to citizens in Maharashtra to raise their civic problems with politicians and administrators. 'Emerging Business Forums' and 'SME Growth Series' provide support to the SMEs and MSMEs in their entrepreneurial journey.

## Awards and accolades (2015-16)



### Ramnath Goenka Excellence in Journalism Awards 2013

- HINDI – BROADCAST  
(Sudhir Chaudhary, Zee News)

### Ramnath Goenka Excellence in Journalism Awards 2014

- INVESTIGATIVE REPORTING – BROADCAST (Sharad Vyas, Zee MPCG)
- INVESTIGATIVE REPORTING – PRINT (Raman Kirpal, DNA)



### ENBA Awards 2015 BARC India Business News

- Channel of the Year – Hindi (Zee Business)



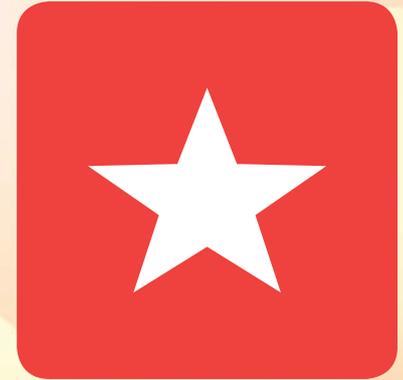
### 7<sup>th</sup> BCS Ratna Awards

- Outstanding TV Journalist of 2015-16 (Sudhir Chaudhary, Zee News)



### BRAND TRUST REPORT – India Study 2016

- Most Trusted Hindi News Channel – Zee News



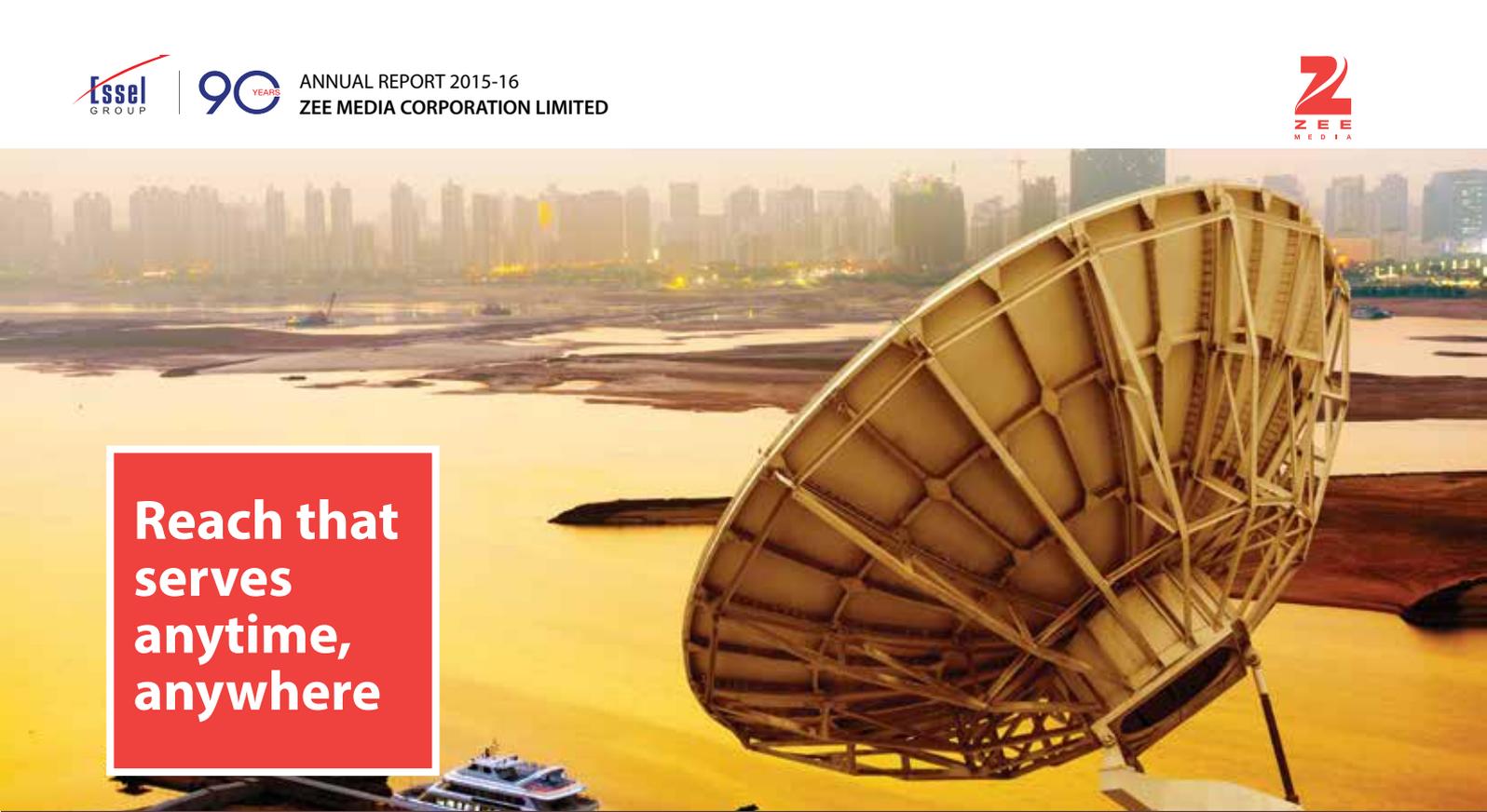
## ZMCL Credentials

**1 billion+**  
web page views

**280 million**  
digital platform users

**258 million**  
channel viewers

**100.3%**  
operating profit growth



**Reach that  
serves  
anytime,  
anywhere**

Given the cultural and lingual milieu in India, it is a challenge to serve Indians with their regular and daily diet of news. Moreover, given the rapid rise of India, the consumption of news has evolved. Viewers watch news on TV or mobile, read news on mobile and print, and want news in the language of their choice. Importantly, the rural and urban consumption of news also varies in ways that are unique to the country and pose a serious challenge to the news agencies.

The Company has adopted a triple play strategy of TV (Zee bouquet of news channels), print (DNA) and internet (websites, apps and social media). With a firm belief that news is best consumed if it is served in the local language of the viewer, ZMCL has added multiple language channels to its portfolio and has crafted its content strategy with a focus on providing relevant news to the viewer. The strategy has been successful as the Company reached out to more than 258 million viewers via television and more than 280 million users via digital channels in FY16.

The Company has created an integrated news organization with a large network of reporters and photo-video journalists across the country. Each channel of the Company can

access the large national and international news network to curate the best content for its viewers. By promoting citizen journalism, the Company has empowered the viewers to make a change, while simultaneously making them more accountable and responsible.

The Company believes that access to high quality news is a right of the citizens and an informed and empowered citizen can help in taking the country to greater heights. The recent conversion of its flagship channel, Zee News, to a Free to Air channel will help in delivering unbiased and path breaking content that empower citizens across the length and breadth of the country.

# Channel Portfolio



## Zee News

**DNA**, the most viewed prime time news programme serves daily dose of news and goes on to dissect and analyse important topics of the day.

**Taal Thok Ke**, a debate based show that discusses important issues of the day.



## Zee Business

**Ministerial Conclave** poses questions to Economic Ministers and Industry Stalwarts on the Government's performance and way forward.

**Sensex Ka Sultan** and **Hunt for India's Smart Investor**, are reality shows with an aim to educate the investors.



## India 24x7

**Mera Gaon Mera Desh** showcases rural India and its hardships in a positive spirit.

**Siyasat** provides informed insights and views on the most talked about political news of the day.



## Zee 24 Taas

**Ananya Sanman** is a unique platform to recognize and honour the unsung heroes of Maharashtra from different walks of life.

**Young Innovator Awards** highlight student innovations that are powerful enough to bring a change in people's lives.



## 24 Ghanta

**Ananya Samman** felicitates heroes of Bengal who walked the extra mile and distinguished themselves from the rest.

**Zee Helpline** solves real issues affecting the viewers, helps them take their plight forward to the concerned authorities and get reprieve.



## Zee MPPG

**State Summit** provides a platform to the Government and people to exchange their ideas. In FY16, the themes included were Agriculture, Skill Development, Information Technology, and 15 years of Chhattisgarh.



## Zee PHH

**Sarkar Se Samwad** creates an avenue for the masses to connect with the policy makers, voice their grievances and seek information on the matters of the State.



## Zee Rajasthan News

**Hai Naman Unko** recognizes sacrifices made by soldiers of Rajasthan and honours the war widows.



## Zee Purvaiya

**Education Summit** provides a forum for Government to interact with educators and student community.



## Zee Kalinga News

**Satya Ra Samna**, a debate based show that exposes and unearths big illegalities and scams.

**Mann Ki Baat**, a one-to-one show with eminent people across the fields of politics, business, social work, sports, and entertainment.



## The New Edge

**Even as the world acknowledges the India story, there is another growth narrative unfolding in the SAARC region. The South Asian Association for Regional Cooperation (SAARC) with members including Afghanistan, Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan and Sri Lanka, accounts for 21% of the world's population and 9% of the global GDP.**

To highlight the huge potential of the region to the world and to become the one-stop destination for news on the region, ZMCL will soon launch WION - World Is One News. The mobile/digital first platform, which will evolve into an international television channel will report global news and issues from a South Asian lens. The channel will have its newsgathering teams across the globe equipped with mobile technology for an 'anytime-anywhere' live approach to satisfy the 'news as it happens' need of Generation Z. WION aims to be the platform which can meet the aspiration of 2 billion South Asians by delivering a global news mix that reflects a South Asian perspective. The Company has created a content synergy where news from one platform is deployed to other platforms with the necessary modification to suit the platform and the target audience.

With WION and its state of the art news gathering setup, the content synergy will shift gear to the next level. The strategy is in line with the Company's internal Orbit shifting initiative to effect a paradigm shift in the organisation and to move into an exponential growth phase.

As Digital India becomes a reality, the Company is focusing on furthering its reach in the online space. The recent launch of Malayalam website increases the Company's footprint to Southern India. To cater to the mobile news audience, the Company launched 5 new apps on Android and iOS platforms. The network further extended its offerings to the business community with the launch of web platform, zeebiz.com. Going forward, the network plans to expand its print reach through new editions of DNA.

## Q&A with the Executive Director

### How has the News industry shaped up during the last one year?

FY16 was a year of low growth for the news industry due to the base effect of election year. Nonetheless, it was an eventful year for the industry. The emergence of a new ratings system by BARC including rural markets forced all industry players to rework their content to suit the diverse audience. The importance given to rural markets under the new system propelled Free to Air channels in the rankings and led to the re-emergence of DD Free Dish as an important vehicle to increase penetration. Going forward, the availability of viewership data will help the advertisers in planning and measuring the impact of their rural strategies.

The year also witnessed a significant increase in consumption of news on digital platforms. The introduction of 4G has enabled Generation Z to live stream and watch news 'anytime, anywhere.' This led to development of several innovative news apps and provided an opportunity to existing players to experiment with new revenue streams.

The phase III of digitization is underway. However, the expected benefits of increase in subscription revenues and reduction in carriage fees are yet to materialize.

### What is your view on News industry over the next few years?

On the content front, Differentiation will become the king. Audience profile of the industry, which is currently dominated by male over age of 35, will change to include the entire family and only the content that interests all will be effective. Due to the ongoing digital disruption, mobiles will become first screens of news consumption and digital media will be the fastest growing segment.

Digitization will reduce the carriage fees and will help the players evaluate the return on each rupee spent. The industry will realize the importance of technological advancement and will increase investments in new, efficient technologies, which will bring down newsgathering, production and manpower costs.



Advertisements will become non-intrusive and the industry will come up with new ways to connect advertisers with their target customers and to leave a lasting impact of the advertisers' proposition on the consumer.

### How is ZMCL placed in the current business scenario and what are its key strengths?

ZMCL is the pioneer of television news in India and the largest television news network in the country. Our strong brand and legacy can be extended to new platforms and businesses we enter in. Being a part of the Essel Group helps us tap into the Group's extensive expertise and synergies.

The Company's most important resource is its strong workforce with years of journalistic experience. Presence across national as well as regional markets enables us to provide our viewers with news from multiple perspectives and helps derive cost synergies. We provide local coverage to audiences across 14 Indian states in 6 languages.

Our entire video content repository of more than 60,000 hours is being digitized and will be accessible across multiple platforms – Television, Print, and Digital Media. We have also established a strong digital presence – our websites are performing well, our channels are interacting

**“Our strategy is to provide differentiated content which cuts through the clutter by focusing on positive, informative, and interactive news. We intend to focus on news that affects people, that they can use in their daily lives, and that ‘upgrades,’ and not just ‘updates,’ them.”**

continuously with viewers via social media and we are in the process of developing an app-based news ecosystem.

Our competitive advantages will ensure that we continue to innovate and to be an inspiration for the industry.

**Has ZMCL reduced its advertisement inventory during the previous fiscal? What was the impact?**

During the year, ZMCL experimented with different inventory levels to satisfy the demands of viewers as well as advertisers. Through the reduction of inventory, we have improved our channel positioning, which in turn, enabled us to increase our advertisement rates and provided better returns on money to the advertisers.

**What are the major challenges and opportunities for the industry?**

The news industry is plagued with me-too content, with focus on breaking the news instead of verifying and analysing all the aspects. However, with limited time available to the consumers, the players with differentiated content will rule the industry.

The introduction of ratings data on rural markets will help sectors having a significant share of their demand from rural markets. News channels, most of which are Free to Air and have deep penetration, will enjoy larger share in the media plans.

With Free to Air channels gaining importance, subscription revenues will go down. The industry should use this opportunity to come up with innovative revenue streams, such as native communication and branded content, which will help it come out of ratings-based pricing.

**As consumption pattern of news is changing to social media and online sources, what is the Company doing sustain in the digital environment?**

ZMCL is investing heavily in digital platforms to suit different audiences. The Company has already established a strong web presence through zeenews.com, 24ghanta.com, 24taas.com, and dnaindia.com and each one of them displayed tremendous growth in FY16.

During the year, the Company launched several new initiatives, which will help it foray into new markets. The

Company launched news apps for Zee News (in Hindi and in English), 24 Ghanta (in Bengali), Zee 24 Taas (in Marathi), and DNA to target the viewers who follow news on the go.

The soon to be launched online global news platform, wionews.com, will help the Company connect with international audience. The recent launch of Malayalam news website, zeenews.india.com/malayalam, provides the Company with an opportunity to make inroads in Southern India. Zeebiz.com, the new online business news platform, enables the Company to service business community across multiple screens.

All our channels are present across various social media platforms (Facebook, Twitter, YouTube) and are continuously interacting with audience.

**What is our strategy and target segment for the overall business?**

We expect the audience profile for news ecosystem to gradually transform and include the entire family. Our strategy is to provide differentiated content which cuts through the clutter by focusing on positive, informative, and interactive news. We intend to focus on news that affects people, that they can use in their daily lives, and that ‘upgrades,’ and not just ‘updates,’ them.

The Company seeks to expand its portfolio and will soon launch its online global news platform, wionews.com. It will be followed by an English language global news channel, WION, which will provide world news from South Asian perspective. Utilizing the synergies in the English news space, the Company will expand the footprint of our English daily, DNA, to multiple cities.

The Company is also diversifying its business by entering into television shopping business through the acquisition of Today Merchandise Private Limited (TMPL) and Today Retail Network Private Limited (TRNL). Television Shopping, with its promising potential, holds great investment value to the Company.

We look forward to an exciting year ahead, which will definitely propel the Company’s growth into a higher orbit.

# Corporate Information

## BOARD OF DIRECTORS

**Surjit Banga**  
Non Executive Chairman

**Uma Mandavgane**  
Independent Director

**Dr. Rashmi Aggarwal**  
Independent Director

**Kanta Devi Allria**  
Independent Director

**Rajendra Kumar Arora**  
Executive Director  
(with effect from May 24, 2016)

### Senior Management

**Rajendra Kumar Arora**  
Chief Executive Officer

**Dinesh Garg**  
Chief Financial Officer

**Sudhir Chaudhary**  
Channel Head - Zee News

**Samir Ahluwalia**  
Channel Head - Zee Business

**Rohit Gandhi**  
Editor-in-Chief - WION and DNA

**Vasindra Mishra**  
Channel Head - India 24x7

**Dr. Uday Nirgudkar**  
Channel Head - Zee 24 Taas

**Anirban Choudhury**  
Channel Head - 24 Ghanta

**Purushottam Vaishnava**  
Channel Head - Zee Rajasthan News  
and Zee Purvaiya

**Dileep Tiwari**  
Channel Head - Zee MPCG

**Dinesh Sharma**  
Channel Head - Zee PHH

**Satya Prakash Nayak**  
Channel Head - Zee Kalinga News

**Pooja Gupta**  
Head - Marketing

**Vijayant Kumar**  
Vice President - Technical

**Amanpreet Singh Legha**  
Vice President - Administration

**Ruchira Srivastava**  
Head - Human Resources

**Pushpal Sanghavi**  
Company Secretary

## OFFICES

**Registered**  
Continental Building  
135, Dr. Annie Besant Road  
Worli, Mumbai - 400018  
Maharashtra

### Corporate

Essel Studio, FC - 09  
Sector 16A, Noida - 201 301  
Uttar Pradesh

**Mumbai**  
11<sup>th</sup> Level, Tower III -  
Indiabulls Finance Centre  
Elphinstone(W), Mumbai - 13

**Zee 24 Taas**  
4<sup>th</sup> Floor "B" Wing  
Madhu Industrial Estate  
Pandurang Budhkar Marg  
Worli, Mumbai - 400013  
Maharashtra

**Zee MPCG**  
201 Jeevan Parisar,  
Rajiv Nagar Colony,  
Shankar Nagar, Pandri Marg,  
Raipur - 492001  
Chhattisgarh

**Zee Rajasthan News**  
E - 151, Ramesh Nagar  
C - Scheme,  
Jaipur - 302001  
Rajasthan

**Zee Kalinga News**  
Plot No. - 727, 4<sup>th</sup> Floor,  
Bivab Gulmohar Begra Sahi,  
Nayapali,  
Bhubaneswar - 751012  
Odisha

**24 Ghanta**  
18, Poddar Court, 6<sup>th</sup> Floor,  
Rabindra Sarani,  
Kolkata - 700001  
West Bengal

**Zee Purvaiya**  
172-B, Sri Krishna Puri,  
Patna - 800001  
Bihar

**Auditors**  
MGB & Co LLP,  
Chartered Accountants

**Bankers**  
State Bank of India  
Yes Bank Limited  
Kotak Mahindra Bank Limited  
BNP Paribas

## NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of **Zee Media Corporation Limited** will be held on Wednesday, 3rd day of August 2016 at 11.00 a.m. at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on standalone and consolidated basis for the financial year ended March 31, 2016 including the Balance Sheet as at March 31, 2016, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To declare Dividend of ₹ 0.15 per Equity Share for the financial year ended March 31, 2016.
3. To re-appoint M/s MGB & Co LLP, Chartered Accountants, Mumbai, having Firm Registration No. 101169W/W-100035, as the Statutory Auditors of the Company to carry out Statutory Audit for Financial Year 2016-17, at a remuneration to be determined by the Board of Directors of the Company.

### SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution**

**“RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the rules made thereunder, read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. (Mrs) Rashmi Aggarwal (DIN 07181938), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 10, 2015 and who holds office upto the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period upto August 9, 2018.”

5. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution**

**“RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act,

2013 (‘Act’) and the rules made thereunder, read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Kanta Devi Allria (DIN 07185431), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 10, 2015 and who holds office upto the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period upto August 9, 2018.”

6. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution**

**“RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the rules made thereunder, Mr. Rajendra Kumar Arora (DIN 00005407), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 24, 2016 and who holds office upto the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

7. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution**

**“RESOLVED THAT** pursuant to Section 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to requisite regulatory approvals, if any, consent of the Company be and is hereby accorded for appointment of Mr. Rajendra Kumar Arora (DIN 00005407) as an Executive Director & CEO of the Company to hold such office for a period of 3 years with effect from May 24, 2016 at the remuneration as detailed herein, which shall not exceed 10% of Net Profits of any financial year, calculated as per Section 198 of the Companies Act, 2013, during his tenure.

**a) Basic Salary:**

The Basic Salary of Mr. Rajendra Kumar Arora shall be ₹ 627,400 per month (in the scale of ₹ 625,000 to ₹ 800,000 per month), with the authority to the Board of Directors to determine any merit based annual increments from time to time during the term of his appointment.

**b) Allowances & Perquisites:**

In addition to the basic salary, Mr. Arora shall be entitled to:

- i. Allowances as per rules of the Company including Personal Allowances, House Rent Allowances, Children Education Allowances, Medical reimbursement and Leave Travel Allowances which in the aggregate shall be ₹ 557,791 per month, with an authority to the Board of Directors to determine any increase from time to time within the scale of ₹ 5,50,000 to ₹ 10,00,000 per month.
- ii. Perquisites as per rules of the Company including club fees, personnel accident & medical insurance, use of chauffeur driven company car, telecommunication facilities at residence etc.
- iii. Company's contribution to provident fund, gratuity and leave encashment as per the rules of the Company; and
- iv. Annual performance bonus/incentive, if any, based on the performance criteria as laid down by or approved by the Board.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to the condition that the remuneration shall not exceed the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT**, notwithstanding anything herein, where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Arora, the remuneration as set out hereinabove by way of minimum remuneration subject to provisions of Schedule V and approval of Central Government, if required."

**8. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution**

**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made there under read with Schedule IV of the Act, Mr. Surjit Banga (DIN 00001637), who holds the office of Independent Director of the Company until March 31, 2017 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from April 1, 2017 until March 31, 2020."

**9. To consider and if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution**

**"RESOLVED THAT** in supersession to the Special Resolution passed by the Members on August 18, 2009 and pursuant to the provisions of Section 94 of the Companies Act, 2013 ('Act') read with Companies (Management and Administration) Rules, 2014 and other applicable statutory / regulatory provisions, all the Registers to be kept and maintained by the Company under Section 88 of the Act including the Register and Index of Members, Register and Index of Debenture Holders and/or other Security Holders etc., and copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents relevant to the said Registers / Annual Return be kept and maintained at the office of the Registrar and Share Transfer Agent of the Company viz. M/s Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, instead of the Registered Office of the Company."

By order of the Board

Place: Mumbai  
Date : May 24, 2016

**Pushpal Sanghavi**  
Company Secretary

**Registered Office:**

Continental Building,  
135, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018  
CIN: L92100MH1999PLC121506  
www.zeenews.india.com  
Email: complianceofficer@zeemedia.esselgroup.com

**NOTES:**

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding 50 (fifty) Members and holding in the aggregate not more than 10% of the total Paid-up Share Capital of the Company. Any Member holding more than 10% of total Paid-up Share Capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate members are requested to send to the registered office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Annual General Meeting is annexed.
4. Equity Dividend, if approved by Members at the Annual General Meeting will be paid on or after August 9, 2016 to all those Equity Shareholders whose name appear in the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Company or its Registrar on or before the Record Date i.e. Friday, July 29, 2016 and in the list of beneficial owners furnished by the Depositories, in respect of shares held in electronic form, as at the end of the business on July 29, 2016.
5. Queries on accounts and operations of the Company, if any, may be sent at least seven days before the Annual General Meeting to the Company Secretary at the registered office of the Company or by email at [complianceofficer@zeemedia.esselgroup.com](mailto:complianceofficer@zeemedia.esselgroup.com) so as to enable the management to keep the information ready at the meeting.
6. As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant information in respect of the Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.  
  
In connection with the proposal for appointment / re-appointment of Independent Directors, the Board of Directors have reviewed declarations confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that the Independent Directors fulfill the conditions specified in the Act and the rules made there under and are independent of the management of the Company.
7. Copy of the Annual Report of the Company for financial year 2015-16 is being sent by email to all the Members whose email address is registered with the Company/ Depository Participants(s) for communication. For members who have not registered their email address, physical copies of the Annual Report for financial year 2015-16 is being sent. The Annual Report may also be accessed on Company's Website [www.zeenews.india.com](http://www.zeenews.india.com).
8. The Company has appointed M/s. Link Intime India Private Limited, Mumbai as the Registrar & Share Transfer Agent in place of M/s. Sharepro Services (India) Pvt Ltd and the said changeover of Registrar & Share Transfer Agent shall take effect from July 1, 2016. Members are requested notify about any change in their address/email address/dividend mandate/bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's new Registrar and Share Transfer Agent, M/s Link Intime India Pvt Ltd at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
9. **E-voting**  
  
In compliance with Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote on all items of business included in the notice of 17th Annual General Meeting by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL) for all the business as detailed in this notice.  
  
The remote e-voting period for all items of business contained in this Notice shall commence from Saturday, July 30, 2016 at 9.00 a.m. and will end on Tuesday, August 2, 2016 at 5.00 p.m. During this period Members holding equity shares of the Company either in physical form or in dematerialized form as on the cutoff date of July 27, 2016, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.
10. The facility for voting shall also be made available at the venue of the meeting and eligible members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

11. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. The voting rights of Members either by way of remote e-voting prior to the meeting or by way Ballot / Poll paper at the meeting shall be in proportion to their equity shareholding in the Company as on the cut-off date of July 27, 2016.
13. At the AGM the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by all those members who are present at the meeting but have not cast their votes by availing the remote e-voting facility.
14. The Company has appointed Mrs. Vinita Nair, Partner, M/s. Vinod Kothari & Co., Company Secretaries as Scrutinizer to conduct remote e-voting process as well as Ballot/Poll Paper voting process at the Annual General Meeting in a fair and transparent manner.
15. The Scrutinizer, immediately after conclusion of voting at the General Meeting first count votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make not later than two days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or any other Director of the Company, who shall countersign the same and declare the result of the voting forthwith.
16. The results declared along with Scrutinizer's report shall be placed on the website of the Company and shall simultaneously be forwarded to the Stock Exchanges. The resolutions shall be deemed to be passed, if approved, on the date of AGM.
17. The instructions and process for e-voting are as under:
  - A. Members whose shareholding is in dematerialised form and whose email addresses are registered with the Company/Depository Participant(s) will receive an email from NSDL informing the User-ID and Password:
    - (i) Open email and open PDF file viz; "ZMCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Zee Media Corporation Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, through e-mail to [complianceofficer@zeemedia.esselgroup.com](mailto:complianceofficer@zeemedia.esselgroup.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. For Members holding shares in dematerialised form whose email IDs are not registered with the Company/Depository Participants and Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, it may be noted that that the Initial User ID & Password is being provided along with this Annual Report. Such members are requested to follow all steps from Sl. No. (ii) to (xii) above to cast vote.
- C. Any person, who acquires equity shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 27, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [complianceofficer@zeemedia.esselgroup.com](mailto:complianceofficer@zeemedia.esselgroup.com).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- D. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote

e-voting user manual for Members available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

- E. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

- F. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4 & 5

Based on recommendation of the Nomination & Remuneration Committee of the Board of Directors and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Dr. (Mrs) Rashmi Aggarwal (DIN 07181938) and Mrs. Kanta Devi Allria (DIN 07185431), as Additional Directors of the Company, in the category of Independent Directors, with effect from August 10, 2015. Pursuant to Section 161(1) of the Companies Act 2013, Dr. (Mrs.) Rashmi Aggarwal and Mrs. Kanta Devi Allria hold office till the date of this Annual General Meeting. Appropriate notice(s) have been received from Members proposing appointment of Dr (Mrs) Rashmi Aggarwal and Mrs. Kanta Devi Allria as Directors of the Company and requisite consent have been received from Dr (Mrs) Rashmi Aggarwal and Mrs. Kanta Devi Allria, pursuant to provisions of Section 152 of the Companies Act 2013. In the opinion of the Board, Dr. (Mrs) Rashmi Aggarwal and Mrs. Kanta Devi Allria who are proposed to be appointed as Independent Directors of the Company for the period up to August 9, 2018 fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and are Independent of the management.

Brief Profile and other details of Dr (Mrs) Rashmi Aggarwal and Mrs. Kanta Devi Allria forms part of the Corporate Governance Report.

Your Board recommends the Ordinary resolutions as set out in Item No 4 & 5 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Dr (Mrs) Rashmi Aggarwal and Mrs. Kanta Devi Allria (whose appointment is proposed in these resolutions), are in any way concerned or interested in these resolution(s).

### Item No. 6 & 7

At the meeting held on May 24, 2016, the Board of Directors of the Company had, based on recommendation of the Nomination & Remuneration Committee, approved appointment of Mr. Rajendra Kumar Arora (DIN 00005407) as an Additional Director of the Company with effect from May 24, 2016. Pursuant to Section 161(1) of the Companies Act 2013, Mr. Rajendra Kumar Arora holds office till the date of this Annual General Meeting and appropriate notice has been

received from a member proposing appointment of Mr Rajendra Kumar Arora as a Director of the Company. Requisite consent has been received from Mr Arora pursuant to Section 152 of the Companies Act 2013.

Further, at the said meeting held on May 24, 2016, the Board of Directors of the Company had, subject to approval of Members and in accordance with recommendations of Nomination & Remuneration Committee, approved appointment of Mr. Rajendra Kumar Arora as a Whole-time Director of the Company designated as Executive Director & CEO at the remuneration as detailed in the Special resolution, which shall not exceed 10% of Net Profits of any financial year, calculated as per Section 198 of the Companies Act, 2013, during his tenure.

As per Section 197 of the Companies Act, 2013, except with the approval of the Company in a General Meeting the remuneration payable to any one whole-time Director shall not exceed 5% of net profits of the Company. In view of the above, approval of shareholders is sought for payment of remuneration to Mr. Arora, in excess of 5% of net profits of the Company but within the limit of 10% of Net Profits of the Company, in any financial year during his tenure. The terms and remuneration as mentioned in the resolution may be altered and varied by the Nomination & Remuneration Committee / Board as it may decide.

Further in the event of loss or inadequacy of profits in any financial year, the remuneration as detailed in the resolution will be payable as minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013 and where the Company is not able to comply with those provisions, the said remuneration shall be subject to approval of Central Government or as otherwise permitted under applicable laws and regulations.

The Resolution and Explanatory Statement may be considered as disclosure and information under applicable statutory provisions as may be applicable or necessary.

Considering the qualification and experience of Mr. R K Arora and responsibilities shouldered by him as Executive Director & CEO of the Company, your Board feels that the proposed remuneration is fair, just and reasonable and therefore recommends the Ordinary and Special Resolution(s) as set out in Item No. 6 & 7 for your approval. Mr. Arora is not related to any other Director or Promoter of the Company.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr Rajendra Kumar Arora (whose appointment is proposed in these resolutions) are in any way concerned or interested in these resolutions.

#### Item No. 8

At the 15th Annual General Meeting held on August 7, 2014, Members of the Company had approved appointment of Mr. Surjit Banga (DIN 00001637), as Independent Director of the Company not liable to retire by rotation. The current term of the said appointment of Mr Surjit Banga as Independent Director of the Company is set to expire on March 31, 2017. As per Section 149(10) of Companies Act, 2013, an Independent Director shall be eligible for re-appointment for a second term of upto 5 years on passing of a Special resolution by the Shareholders of the Company.

Since the current term of appointment of Mr. Surjit Banga will expire before the next Annual General Meeting scheduled in 2017, your Board, based on the performance evaluation and after reviewing confirmation of independence received, recommends re-appointment of Mr Surjit Banga for the second term of 3 years commencing from the date of expiry of his current term of appointment as Independent Director i.e. from April 1, 2017 and March 31, 2020. Appropriate notice has been received from a Member proposing appointment of Mr. Surjit Banga as Independent Director of the Company and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act 2013.

In the opinion of the Board, Mr Surjit Banga who is proposed to be appointed for the second term as an Independent Director of the Company for the period of 3 years up to March 31, 2020, fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management.

Brief Profile and other details of Mr Surjit Banga forms part of the Corporate Governance Report.

Your Board recommends the Special resolution as set out in Item No 8 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr Surjit Banga (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

#### Item No. 9

As per Section 163 of the Companies Act, 1956, Members of the Company at the 10th Annual General Meeting held on August 18, 2009 had approved maintenance and updation of Register & Index of Members, Register and Index of Debenture Holders / Security Holders, if any, and Share and/or Debenture Transfer Register and other particulars, including Annual Returns and annexure thereto at the office of M/s. Sharepro Services India Pvt Ltd ('Sharepro'), the Registrar and Share Transfer Agent of the Company.

Consequent to changeover of R&T Agent, M/s. Link Intime India Private Limited has been appointed as the Registrar & Share Transfer Agent ('R&T Agent') of the Company in place of Sharepro with effect from July 1, 2016. Accordingly in compliance with the requirements of Section 94 of the Companies Act, 2013, approval of the Shareholders is sought for maintaining above mentioned Registers, Returns and Documents at the office of new R&T Agent M/s. Link Intime India Pvt Ltd at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, rather than at the Registered office of the company.

A copy of the proposed resolution will be forwarded before the Annual General Meeting to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94(1) of the Companies Act, 2013.

Your Board recommends the Special resolution as set out in Item no. 9 for the Member's approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

By order of the Board

**Pushpal Sanghavi**  
Company Secretary

Place: Mumbai  
Date: May 24, 2016

#### Registered Office:

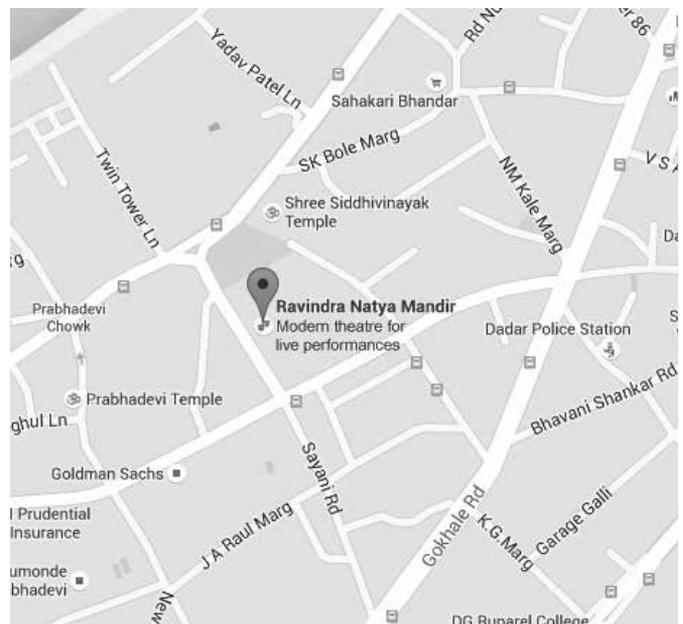
Continental Building, 135, Dr. Annie Besant Road,  
Worli, Mumbai – 400 018

CIN: L92100MH1999PLC121506

[www.zeenews.india.com](http://www.zeenews.india.com)

Email: [complianceofficer@zeemedia.esselgroup.com](mailto:complianceofficer@zeemedia.esselgroup.com)

#### Map of AGM Venue



# DIRECTORS' REPORT

To the Members

Your Directors take pleasure in presenting the 17th Annual Report of your Company together with Audited Financial Statements for the year ended March 31, 2016.

## FINANCIAL HIGHLIGHTS

The financial performance of your Company for the year ended March 31, 2016 is summarized below:

(₹ in Millions)

Particulars	Standalone - Year ended		Consolidated - Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Total revenues	3,945.85	3,917.11	5,604.77	5,537.75
Total expenses	3,662.34	3,812.32	5,576.09	6,092.81
<b>Profit before tax &amp; exceptional items</b>	<b>283.51</b>	<b>104.79</b>	<b>28.68</b>	<b>(555.06)</b>
Exceptional items	-	-	(61.51)	-
Profit before tax	283.51	104.79	(32.83)	(555.06)
Provision for taxation	96.06	43.14	(2.53)	(123.54)
<b>Profit after tax</b>	<b>187.45</b>	<b>61.65</b>	<b>(30.30)</b>	<b>(431.52)</b>
Balance brought forward	1,741.87	1,716.38		
Adjustment for depreciation as per transitional provision	-	(54.78)		
Deferred tax on depreciation as above	-	18.62		
Amount available for appropriation	1,929.32	1,741.87		
Appropriation				
Dividend	70.62	-		
Dividend distribution tax	14.38	-		
Balance carried forward	1,844.32	1,741.87		

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report which affect the financial position of the Company. Based on internal financial control framework and compliance systems established in the Company and verified by the statutory and internal auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that Company's internal financial controls were adequate and effective during the financial year 2015-16.

## DIVIDEND

After a gap of over 5 years, your Directors are pleased to recommend Equity Dividend of ₹ 0.15 per equity share of face value of ₹ 1/- each for the Financial Year 2015-16. The total outflow on account of Dividend payment would be ₹ 85 Million which includes dividend of ₹ 70.62 Million and tax on dividend of ₹ 14.38 Million.

## OPERATIONS & STRATEGY

FY16 proved to be the year of reckoning for India with the economy emerging as the clear growth leader in the world and the improvement in economic fundamentals accelerated with the combined impact of strong government reforms and central bank's inflation focus supported by benign global commodity prices. Projected GDP growth of 7.5-8% in FY17 on the back of expected favourable monsoon, increased consumerism and improved investor confidence is expected to fuel growth across industries and sectors.

The television media industry grew by 14.2% making it a ₹ 542 billion industry in 2015 from ₹ 475 billion in 2014. Broadcast advertisement revenues grew by 17% to ₹ 181 billion in 2015 from ₹ 155 billion in 2014, while the broadcast subscription revenues registered 15% growth to ₹ 86 billion in 2015 from ₹ 75 billion in 2014. Preceded by a year of general elections, 2015 witnessed single digit growth in news channels.

The Indian television industry continued to witness upheaval in the operating environment. The implementation of alternative rating system by Broadcast Audience Research Council (BARC), with wider geographic coverage including rural markets, led to major changes in pecking order and forced all players to alter their strategies. Growth in content consumption over digital platforms provided an experimental field to broadcasters for additional revenue and a complementary medium to advertisers to reinforce their brand communication.

Your Company continues to be one of the largest news networks touching more than 258 million viewers through its 10 News Channels in 5 different languages and reaching more than 280 million users through digital channels.

**Zee News**, the flagship channel of your Company and a pioneer in news broadcasting, reached over 115.5 million viewers across India in Q4 FY16. While **Zee Business**, India's 1st 24-hour Hindi business channel, reached more than 25.5 million viewers across India. **India 24x7**, your Company's national news channel launched on October 24, 2015, reached more than 97 million viewers.

**Zee 24 Taas** outperformed its competitors to emerge as No. 1 Marathi News channel in reach with more than 39.1 million viewers across India. **Zee Punjab Haryana Himachal** dominated the region's news market and reached more than 22.6 million viewers across India. **Zee Madhya Pradesh and Chhattisgarh**, launched on March 31, 2013 for viewers of Madhya Pradesh and Chhattisgarh, has established its dominance and No. 1 position with a reach of more than 27.9 million viewers across India.

**Zee Rajasthan News** (erstwhile Zee Marudhara), which was launched on July 31, 2013 for Rajasthan market, emerged as No. 1 Rajasthani News channel and reached over 20.5 million viewers across India. **Zee Kalinga News** (erstwhile Zee Kalinga), Company's offering for Odisha market launched on January 26, 2014, reached more than 10.6 million viewers across India.

**24 Ghanta**, your Company's Bengali news offering through the 60% subsidiary, Zee Akaash News Pvt Ltd, is No. 1 in reach in West Bengal with more than 30.2 million viewers across India. While **Zee Purvaiya** (erstwhile Maurya TV), the regional channel housed under a wholly owned subsidiary, Maurya TV Pvt Ltd, targeting Bihar and Jharkhand region, reached more than 13.7 million viewers across India.

**Zeenews.com** registered a year on year increase of 37.3% in visits, 37.9% in unique visitors, and 24% in page views. The website attracted over 160 million unique visitors, 395 million visits with 753 million page views in FY16 compared to 116 million unique visitors, 287 million visits with 607 million page views in the previous year. The regional arms of the website put up a phenomenal performance with visitors on Hindi, Bengali and Marathi websites growing by 98%, 95% and 26% respectively.

**Dnaindia.com** registered a year on year increase of 50.1% in visits, 49.3% in unique visitors, and 62.6% in page views. The

website attracted over 102 million unique visitors, 173 million visits with 258 million page views in FY16 compared to 68 million unique visitors and 115 million visits with 159 million page views in the previous year.

Your company launched **5 news apps** (Zee News – Hindi, Zee News – English, 24 Taas, 24 Ghanta, DNA) since December 2015 on Android and iOS platforms and the total installs crossed 1 million mark within six months.

During the year, keeping in view the muted growth in news genre, your company focused on consolidating the revenues. Simultaneously, your company strived to increase profitability by establishing operational efficiencies and using cutting-edge technology to optimize expenditure. As a result, while the revenues remained flat at ₹ 5,429.1 million, operating profit grew by 100.3% to ₹ 953.5 million in FY16 from ₹ 476.1 million in FY15.

## RIGHTS ISSUE

During the year under review, in terms of the Letter of Offer dated March 16, 2015, your Company successfully raised ₹ 1,955.59 Million from the market by issuance of 108,643,732 Equity Shares of ₹ 1 each at the price of ₹ 18/- per Equity Shares, on Rights basis in the ratio of 3 (Three) Right Shares for every 10 (Ten) Equity Shares held as on Record date of March 17, 2015. The said Rights Issue which opened on March 25, 2015 and closed on April 8, 2015, was subscribed by 1.03 times. Consequent to allotment of Rights Shares, the Paid-up Share Capital of your Company increased to ₹ 470,789,505 comprising of 470,789,505 Equity Shares of ₹ 1 each.

Particulars of utilisation of Rights Issue funds, during FY15-16 which are in accordance with the Letter of Offer dated March 16, 2015 is as detailed herein:

(₹ in Million)

Details of Utilization	Proposed as per LOF	Utilized during FY16	Unutilized as at March 31, 2016
Purchase of equipment and accessories	450.52	-	450.52
Repayment/prepayment of Company loans	449.95	449.95	-
Funding repayment of subsidiaries Loans	600.00	600.00	-
General Corporate Purposes	455.12	430.66	24.46
<b>Total</b>	<b>1,955.59</b>	<b>1,480.61</b>	<b>474.98</b>

Balance Rights Issue funds of ₹ 474.98 Million have been parked in Current / Fixed Deposit accounts with Banks.

## REGISTRAR & SHARE TRANSFER AGENT

During the year under view, consequent to certain allegations of fraud and malpractices in the conduct and operations of Sharepro Services (India) Pvt Ltd ('Sharepro'), who has been Registrar & Share Transfer Agent ('R&T Agent') of the Company, SEBI had issued an interim order dated March 22, 2016 *inter alia* restraining Sharepro from involving in Stock Market related activities. As per the said order of SEBI, your Company had engaged M/s. MKB & Associates, Company Secretaries to carry out an Assurance Audit of Sharepro in connection with records of the Company and the said Audit did not reveal irregularity or violations with respect to transfer of securities or payment of dividend of the Company during the Audit period from January 2007 till March 2016.

Subsequently, in pursuance of the advisory issued by SEBI vide the said order dated March 22, 2016 and also considering that key employees were leaving Sharepro which could affect their services, your Company has appointed M/s. Link Intime India Pvt Ltd as the R&T agent in place of Sharepro. The said changeover of R&T Agent shall take effect from July 1, 2016.

## EMPLOYEES STOCK OPTION SCHEME

The Employee Stock Option Scheme approved by the Members at the Annual General Meeting held on August 18, 2009 has not been implemented till date and no Stock Options were under granted under the said ESOP Scheme. In view of this, particulars as required under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are not provided and the Company has not obtained any certificate from the Statutory Auditors confirming implementation of the Employees Stock Option Scheme in accordance with SEBI Regulations and the resolution passed by the shareholders.

## SUBSIDIARIES & ASSOCIATES

During FY16 there have not been any acquisition / divestment of subsidiaries/associates by the Company. Your Company continues to have 5 (five) subsidiaries as at March 31, 2016. These include 2 (two) subsidiaries engaged in News Broadcasting business viz. Zee Akaash News Pvt Ltd, a 60% subsidiary engaged in broadcasting of a Bengali News Channel - 24 Ghanta and Maurya TV Pvt Ltd, a wholly owned subsidiary, engaged in broadcasting of Zee Purvaiya, a regional news channel targeting Bihar and Jharkhand region.

The Newspaper business of your Company continues to be housed under 3 (three) direct and indirect subsidiaries viz. Pri-Media Services Pvt Ltd, a wholly owned subsidiary of the Company engaged in the business of printing; and Mediavest India Private Limited, a wholly owned subsidiary, which holds 99.99% equity stake in Diligent Media Corporation Limited, an entity engaged in publication and distribution of 'dna' a English daily.

During the year under review, your Board had approved a proposal for expansion into E-commerce and TV Shopping

space, by acquiring upto 80% equity stake in Today Merchandise Pvt Ltd and Today Retail Network Pvt Ltd. These entities currently operate an E-commerce website [www.bagittoday.com](http://www.bagittoday.com) and have created infrastructure for launch of a TV Shopping Channel. The proposed acquisition would be in a staggered manner, whereby your Company shall initially acquire 49% equity stake by subscribing to Equity shares of these entities at par value and shall thereafter fund their business requirements, from time to time, by subscribing to Compulsory Convertible Debentures, which upon conversion into Equity Shares at par value, will enable the Company to hold 80% equity stake in these entities. As on date of this report, your Company has executed requisite Investment agreements, but has not acquired any stake in these entities.

In compliance with Section 129 of the Companies Act, 2013, a statement containing requisite details including financial highlights of the operations of all subsidiaries is annexed to this report. Further as per Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company [www.zeenews.india.com](http://www.zeenews.india.com). These documents will also be available for inspection during business hours at the Registered Office of the Company.

In accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard AS 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in and forms part of this Annual Report.

## CORPORATE GOVERNANCE & POLICIES

Your Company is in compliance with the Corporate Governance requirements mentioned under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). A Report on Corporate Governance as stipulated under the Listing Regulations as also a Management Discussion and Analysis Report forms part of the Annual Report. Certificate from the Statutory Auditors of the Company, M/s MGB & Co LLP, Chartered Accountants, confirming compliance with the provisions of Corporate Governance as stipulated under Listing Agreement / Listing Regulations, is annexed to the said Corporate Governance Report.

In compliance with the requirements of the Companies Act, 2013 and Listing Regulations, your Board has approved various Codes and Policies including Code of Conduct for Directors & Senior Management, Policy for determining Material Events, Policy for Preservation of Documents and Archival of Records, Policy for Determination of Material Subsidiary, Related Party Transaction Policy, Whistle Blower and Vigil Mechanism Policy, Corporate Social Responsibility Policy and Remuneration Policy. Further in accordance with SEBI regulations, your Board has approved Insider Trading Code and Fair Disclosure Policy. All these Codes and Policies along with the Terms and conditions of appointment of Independent Director and brief

on Directors Familiarization Programs have been uploaded on Company's website [www.zeenews.india.com](http://www.zeenews.india.com)

In compliance with regulatory requirements, the Nomination and Remuneration Committee of your Board has fixed criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limit, qualification/experience, areas of expertise and independence of individual. The Committee had also approved in-principle that the initial term of an Independent Director shall not exceed 3 years.

### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Your Board currently comprises of five (5) Directors including four (4) Independent Directors and one (1) Executive Director. Independent Directors provide declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY16 your Board met 7 (seven) times details of which are available in the Corporate Governance Report annexed to this report.

During the year under review, your Board had, based on recommendations of Nomination & Remuneration Committee, appointed Dr (Mrs.) Rashmi Aggarwal and Mrs. Kanta Devi Allria as Additional Directors in the category of Independent Director with effect from August 10, 2015 and in terms of Section 161 of the Companies Act, 2013, these Directors hold office upto the ensuing Annual General Meeting. The Company has received notice from Members along with requisite deposits proposing appointment of these Directors. Requisite proposals seeking your approval for their appointment as Independent Director not liable to retire by rotation for a period of 3 years with effect from August 10, 2015 forms part of the Notice of ensuing Annual General Meeting.

Additionally, your Board had based on recommendations of Nomination & Remuneration Committee, appointed Mr. Rajendra Kumar Arora, as an Additional Director designated as Executive Director & CEO of the Company for a period of 3 years with effect from May 24, 2016. As per Section 161 of the Companies Act, 2013, Mr. Arora holds office of Director till ensuing Annual General Meeting. The Company has received a notice from a Member proposing appointment of Mr. Arora as a Director and requisite proposals seeking your approval for his appointment as a Director and also his appointment and payment of remuneration as Executive Director & CEO of the Company for a period of 3 years with effect from May 24, 2016, forms part of Notice of ensuing Annual General Meeting.

Additionally, the Notice of ensuing Annual General Meeting includes a proposal for appointment of Mr. Surjit Banga for second term as an Independent Director not liable to retire by rotation for a period of 3 years from expiry of his current term on March 31, 2017, by passing a Special Resolution. Members of the Company, at the Annual General Meeting held on August 7, 2014, had appointed Mr. Banga as an Independent Director for a period of 3 years till March 31, 2017 and since his current term would expire before the Annual General Meeting to be

held in 2017, your Board has, based on performance evaluation and contributions made by Mr. Banga and in compliance with the requirements of Section 149 of the Companies Act, 2013, recommended re-appointment of Mr. Banga as Independent Director for the second term of 3 years upon expiry of his current term.

During the year under review Mr. Vinod Kumar Bakshi, Independent Director and Mr. Ashish Kirpal Pandit, Executive Director & CEO resigned as Directors with effect from September 9, 2015 and October 12, 2015, respectively. Dr. Subhash Chandra, Director & Non-Executive Chairman of the Board since 2007, resigned with effect from May 24, 2016. Your Board places on record their appreciation for contributions of Dr. Subhash Chandra and Mr. Vinod Kumar Bakshi towards growth of the Company. Consequent to resignation of Dr. Subhash Chandra, Mr. Surjit Banga, the senior most Director, was appointed as Non-Executive Chairman of the Board.

Currently, Mr. Rajendra Kumar Arora, Executive Director & CEO, Mr. Dinesh Garg, Chief Financial Officer and Mr. Pushpal Sanghavi, Company Secretary are nominated as Key Managerial Personnel in compliance with the requirements of Section 203 of the Companies Act, 2013. During the year under review, upon resignation of Mr. Ashish Kirpal Pandit as Executive Director & CEO, Mr. Bhaskar Das, Group CEO-News Cluster was nominated as Key Managerial Personnel with effect from October 20, 2015. Thereafter consequent to resignation of Mr. Bhaskar Das, Mr. R K Arora, Chief Executive Officer was nominated as Key Managerial Personnel with effect from April 29, 2016.

### **BOARD EVALUATION**

In a separate meeting of Independent Directors held without presence of other Directors and management, the Independent Directors had, based on various criteria, evaluated performance of the Chairman and also performance of the Board as a whole and various Board Committees. A report on such evaluation done by Independent Directors was taken on record by the Board and further, the Board had in compliance with the requirements of Companies Act, 2013 evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc.

### **BOARD COMMITTEES**

In compliance with the requirements of Companies Act, 2013 and Listing Agreement / Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company. Further the details of scope, constitution, number of meetings of the Committee held during FY16 along with particulars of attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

An Annual Report on CSR activities initiated by the Company during FY15-16, in compliance with the requirements of Companies Act, 2013 is annexed to this report.

## AUDITORS

**Statutory Audit:** The Statutory Auditors M/s MGB & Co. LLP, Chartered Accountants, Mumbai, having Firm Registration No 101169W/W-100035, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment. Your Company has received confirmation from the said Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and that the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014.

Your Board is of the opinion that continuation of M/s MGB & Co LLP as Statutory Auditors during FY17 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company for signing financial statements and issuing reports for the period ending March 31, 2017. The re-appointment proposed is within the transition period prescribed under the third proviso of sub-section (2) of Section 139 of the Companies Act, 2013.

**Secretarial Audit:** In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for FY15-16 was carried out by Mr. Satish K Shah, Practicing Company Secretary (holding Certificate of Practice No. 3142)

The reports of Statutory Auditor and/or Secretarial Auditor forming part of this Annual report do not contain any qualification, reservation or adverse remarks. During the year the Statutory Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013 and therefore no disclosures are required pursuant to Section 134(3) (ca) of the Companies Act, 2013.

## DISCLOSURES

- i. **Particulars of loans, guarantees and investments:** Particulars of loans, guarantees and investments made by the Company as required under Section 186(4) of the Companies Act, 2013 are given in Note 38 to the Standalone Financial Statements.
- ii. **Transactions with Related Parties:** None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Further there are no material transaction with related parties, as defined under Section 2(76) of the Companies Act, 2013. Accordingly the information as prescribed under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is Nil and therefore form AOC-2 is not annexed to this report.

During the year under review, your Company had entered into material related party transaction with Taj Television (India) Pvt Ltd, (Taj) a subsidiary of Zee Entertainment Enterprises Ltd and related party of the Company as per Accounting Standard 18. As per the terms of said material related party transaction, which was approved by unrelated shareholders vide resolution passed on November 3, 2015, Taj provided Channel Distribution Services to the Company on principal-to-principal and revenue sharing basis wherein Taj retained 14% of Subscription revenues of the Company as a consideration for said services.

Consequent to re-organisation of Distribution business, Taj discontinued its Channel Distribution business and therefore with effect from May 1, 2016, your Company has entered into Channel Distribution Service arrangement with Zee Entertainment Enterprises Limited (ZEEL), a related party as per Accounting Standard 18. Under the said arrangement, ZEEL shall provide Channel Distribution Services to the Company on principal-to-principal basis and retain 7% of Subscription revenues of the television channels of the Company. A Postal Ballot Notice dated May 18, 2016, seeking approval of Unrelated Shareholders for the said material related party transaction has been issued by the Company and voting results on such proposal will be announced on June 30, 2016.

- iii. **Deposits:** Your Company has not accepted any public deposit under Chapter V of the Companies Act, 2013.
- iv. **Extract of Annual Return:** The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report.
- v. **Sexual Harassment:** Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.
- vi. **Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.
- vii. **Internal Financial Controls and their adequacy:** Your Company has approved internal financial controls and policies / procedures to be adopted by the Company for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is into the business of Broadcasting of News & Current Affairs Television Channels in Hindi and various regional languages. Since this does not involve any manufacturing activity, most of the Information required to be provided under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is not applicable.

However the information as applicable is given hereunder:

### Conservation of Energy:

(i)	steps taken or impact on conservation of energy	Your Company, being a service provider, requires minimal energy consumption and every endeavor has been made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
(ii)	steps taken by the company for utilizing alternate sources of energy	
(iii)	capital investment on energy conservation equipments	

### Technology Absorption:

(i)	the efforts made towards technology absorption	In its endeavor to deliver the best to its viewers and business partners, your Company has been constantly active in harnessing and tapping the latest and best technology in the industry.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	

### Foreign Exchange Earnings and Outgo:

Particulars of foreign exchange earnings and outgo during the year are given in Note 40 to 42 to the Standalone Financial Statements of the Company

## PARTICULARS OF EMPLOYEES

Your Company had 1450 employees as at March 31, 2016. The information required under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014 along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, in relation to the Annual Financial Statements for the Financial Year 2015-2016, your Directors confirm that:

- The Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2016 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016, and, of the profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;
- Requisite Internal financial controls were laid down and that such financial controls are adequate and operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record its appreciation for the dedication and commitment of employees shown at all levels which have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental authorities, including Ministry of Information and Broadcasting, Department of Telecommunication, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges, Depositories and other stakeholders including banks, financial Institutions, viewers, vendors and service providers.

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

Place: Mumbai

Date : May 24, 2016

**Rajendra Kumar Arora**

Executive Director & CEO

## ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURE AS PER THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2016

Name of the Subsidiary	(₹ Million)				
	Zee Akaash News Private Limited	Mediavest India Private Limited	Pri-Media Services Private Limited	Maurya TV Private Limited	Diligent Media Corporation Limited (DMCL)#
Share Capital	40.00	0.10	0.10	221.32	890.96
Reserves & Surplus	314.98	(1,747.77)	(407.77)	(166.47)	(4,124.75)
Total Assets	444.61	9,559.87	3,508.78	110.20	1,563.84
Total Liabilities	89.63	11,307.54	3,916.45	55.35	4,797.63
Investments (Other than Subsidiary)	-	-	-	-	-
Turnover	483.03	1.54	540.04	86.21	1,104.88
Profit before Taxation	149.84	(31.44)	(296.86)	-	(137.89)
Provision for Taxation	52.62	(2.48)	(98.12)	-	(50.62)
Profit after Taxation	97.23	(28.96)	(198.73)	-	(87.27)
Dividend Proposed/ Paid	-	-	-	-	-
% of shareholding	60.00%	100.00%	100.00%	100.00%	99.99%

**Note:**

# Held through Mediavest India Private Limited.

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

Place: Mumbai

Date : May 24, 2016

**Rajendra Kumar Arora**

Executive Director & CEO

# ANNEXURE TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY16

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Environment & Health Care and Woman empowerment. Besides these focus areas the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on <a href="http://www.zeenews.india.com">www.zeenews.india.com</a> .
2	The composition of the CSR Committee	As at March 31, 2016 the CSR Committee comprised of three (3) Directors including Dr Subhash Chandra as Chairman and Mr. Surjit Banga and Mrs. Kanta Devi Allria, Independent Directors as Members. Consequent to resignation of Dr. Subhash Chandra, the CSR Committee was reconstituted with effect from May 24, 2016, by appointment of Mr. Rajendra Kumar Arora, Executive Director & CEO as Chairman of CSR Committee in place of Dr. Subhash Chandra.
3	Average net profit of the Company for last 3 Financial Year	₹ 157.71 Million
4	Prescribed CSR expenditure	₹ 3.15 Million
5	Details of CSR spent during FY	
	a) Amount to be spent in FY	₹ 3.15 Million
	b) Unspent amount, if any	None
	c) Areas where spent	As detailed in Annexure A

### Annexure A

(₹ in Millions)						
CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs Local area or other, Specify State & District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Development of Infrastructural for Promotion of Education / Arts etc	Contribution towards construction of Building to house School, library, child development centres etc for promotion of Education	Rohtak, Haryana	0.50	0.50	0.50	Sahid Chandra Sekhar Azad Seva Samiti
		Ambala, Haryana	1.10	1.10	1.60	Aggarwal Sabha
		Hissar, Haryana	1.55	1.55	3.15	Zee Foundation

Note: CSR spend mentioned herein includes amount contributed/remitted by the Company to NGO's or agencies mentioned above, which may be pending utilization for specified purposes at the year end.

The CSR committee certifies that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**Surjit Banga**  
Director

Place: Mumbai  
Date : May 24, 2016

**Rajendra Kumar Arora**  
Executive Director & CEO

# ANNEXURE TO THE DIRECTORS' REPORT

## EXTRACT OF ANNUAL RETURN

### Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L92100MH1999PLC121506
Registration Date	27/08/1999
Name of the Company	Zee Media Corporation Limited
Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered Office & Contact details	Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400018 Tel No.: +91-22-7106 1234 Fax No.: +91-22-2300 2107
Whether Listed	Yes
Name, Address and Contact Details of Registrar and Transfer Agent	M/s Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri- Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 Tel No.: +91-22-6772 0300/400 Fax No.: +91-22- 2859 1568/2850 8927

Note: With effect from July 1, 2016, M/s Link Intime India Private Limited having its office at C-13, Pannalal Silk Mills Compound, L B S Road, Bhandup (West), Mumbai 400 078, has been appointed as Registrar and Share Transfer Agent of the Company in place of M/s Sharepro Services (India) Private Limited

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service (As per 2004)	% to total turnover of the company
1	Broadcasting services	92132	100

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
<b>A</b>	<b>Holding Company</b>		
	Nil		
<b>B</b>	<b>Subsidiary Companies (including step-down subsidiaries)</b>		
1	Zee Akaash News Private Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018 U92132MH2005PTC157148	60%	2(87)(ii)
2	Diligent Media Corporation Limited* 11 <sup>th</sup> Flr, Tower 3, Indiabulls Financial Centre, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013 U22120MH2005PLC151377	99.99%	2(87)(ii)
3	Pri-Media Services Private Limited 11 <sup>th</sup> Flr, Tower 3, Indiabulls Financial Centre, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013 U22222MH2012PTC232006	100%	2(87)(ii)
4	Mediavest India Private Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018 U92132MH2001PTC130426	100%	2(87)(ii)
5	Maurya TV Private Limited 11 <sup>th</sup> Flr, Tower 3, Indiabulls Financial Centre, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013 U92130MH2007PTC170952	100%	2(87)(ii)
<b>C</b>	<b>Associate Company</b>		
	Nil		

\* Held through Mediavest India Private Limited

**IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):**
**i) Category-wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters Shareholding</b>									
(1) <b>Indian</b>									
Bodies Corp.	250280827	0	250280827	69.11	325365074	0	325365074	69.11	0
<b>Sub-total (A-1)</b>	<b>250280827</b>	<b>0</b>	<b>250280827</b>	<b>69.11</b>	<b>325365074</b>	<b>0</b>	<b>325365074</b>	<b>69.11</b>	<b>0</b>
(2) <b>Foreign</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total (A-2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Promoter shareholding (A=A1+A2)</b>	<b>250280827</b>	<b>0</b>	<b>250280827</b>	<b>69.11</b>	<b>325365074</b>	<b>0</b>	<b>325365074</b>	<b>69.11</b>	<b>0</b>
<b>B. Public Shareholding</b>									
(1) <b>Institutions</b>									
Mutual Funds	18276103	452	18276555	5.05	0	452	452	0.00	(5.05)
Banks / FI	429803	0	429803	0.12	590120	0	590120	0.13	0.01
Insurance Companies	91142	0	91142	0.03	91142	0	91142	0.02	(0.01)
FII's	16057977	5022	16062999	4.44	27859832	5022	27864854	5.92	1.48
<b>Sub-total (B-1)</b>	<b>34855025</b>	<b>5474</b>	<b>34860499</b>	<b>9.63</b>	<b>28541094</b>	<b>5474</b>	<b>28546568</b>	<b>6.06</b>	<b>(3.57)</b>
(2) <b>Non-Institutions</b>									
a) <b>Bodies Corp.</b>									
Indian	15390984	3137	15394121	4.25	29351838	3150	29354988	6.24	1.99
Overseas	202	0	202	0.00	202	0	202	0.00	0
b) <b>Individuals</b>									
Individual shareholders holding nominal share capital upto ₹ 1 lakh	45649790	177535	45827325	12.65	52815718	180167	52995885	11.26	(1.39)
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	14379439	0	14379439	3.97	32910018	0	32910018	6.99	3.02
c) <b>Others</b>									
Foreign National	452	0	452	0.00	0	0	0	0.00	0.00
NRI	1230731	171950	1402681	0.39	1448017	166526	1614543	0.34	(0.05)
Trust	227	0	227	0.00	2227	0	2227	0.00	0.00
<b>Sub-total (B-2)</b>	<b>76651825</b>	<b>352622</b>	<b>77004447</b>	<b>21.26</b>	<b>116528020</b>	<b>349843</b>	<b>116877863</b>	<b>24.83</b>	<b>3.57</b>
<b>Total Public Shareholding (B=B1+B2)</b>	<b>111506850</b>	<b>358096</b>	<b>111864946</b>	<b>30.89</b>	<b>145069114</b>	<b>355317</b>	<b>145424431</b>	<b>30.89</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>361787677</b>	<b>358096</b>	<b>362145773</b>	<b>100.00</b>	<b>470434188</b>	<b>355317</b>	<b>470789505</b>	<b>100.00</b>	<b>0</b>

Note: During FY16, the Company had issued 108,643,732 Equity Shares on Rights Basis in ratio of 3 (Three) Rights Equity Shares for every 10 (Ten) Equity Shares held.

## ii) Shareholding of Promoters &amp; Promoter Group:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1	25FPS Media Pvt. Ltd.	127898710	35.32	7.32	166268323	35.32	9.65	-
2	Arm Infra and Utilities Ltd.	122363636	33.79	27.20	159072726	33.79	27.95	-
3	Prime Publishing Pvt. Ltd.	18181	0.00	0.00	23635	0.00	0.00	-
4	Sprit Textiles Pvt. Ltd.	200	0.00	0.00	260	0.00	0.00	-
5	Essel Infraprojects Ltd.	100	0.00	0.00	130	0.00	0.00	-

Note: During FY16, the Company had issued 108,643,732 Equity Shares on Rights Basis in ratio of 3 (Three) Rights Equity Shares for every 10 (Ten) Equity Shares held.

## iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>					
1	Shareholding as on April 1, 2015	250280827	69.11	250280827	69.11
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):					
1	Allotment of Equity Shares on Rights basis – April 18, 2015				
	25FPS Media Pvt. Ltd.	38369613	NA		
	Arm Infra and Utilities Ltd.	36709090	NA		
	Prime Publishing Pvt. Ltd.	5454	NA		
	Sprit Textiles Pvt. Ltd.	60	NA		
	Essel Infraprojects Ltd.	30	NA		
<b>At the End of the year</b>				<b>325365074</b>	<b>69.11</b>

Note: During FY16, the Company had issued 108,643,732 Equity Shares on Rights Basis in ratio of 3 (Three) Rights Equity Shares for every 10 (Ten) Equity Shares held.

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Name of Shareholder	Shareholding at the beginning of the year (April 1, 2015)		Shareholding at the end of the year (March 31, 2016)	
	No of Shares	% Equity Share Capital	No of Shares	% Equity Share Capital
Acacia Partners LP	\$ 6180100	1.71	8034130	1.71
Acacia Institutional Partners LP	\$ 3989700	1.10	5186610	1.10
Acacia Conservation Fund LP	\$ 2772000	0.77	3603600	0.77
Siddhant Durgesh Shah	\$ 1400000	0.39	3400000	0.72
Vishesh Nimesh Shah	\$ 1400000	0.39	3400000	0.72
HDFC Trustee Company Ltd-HDFC Prudence Fund	# 17467103	4.82	NA	NA
Amit Goela	# 1820180	0.50	NA	NA
Acacia Banyan Partners	# 1996200	0.55	NA	NA
Hardik Dhanesh Shah	# 1400000	0.39	NA	NA
Religare Finvest Ltd	# 1330419	0.37	NA	NA
Dilip Kumar Lakhi	@ NA	NA	6227747	1.32
Karuna Ventures Private Limited	@ NA	NA	6201778	1.32
India Opportunities Growth Fund Ltd - Pinewood Strategy	@ NA	NA	6100000	1.30
OHM Stock Broker Pvt Ltd	@ NA	NA	5000000	1.06
Viral Amal Parikh	@ NA	NA	3500000	0.74

**Note:**

- The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.
- \$ denotes common top 10 shareholders as on April 1, 2015 and March 31, 2016  
# denotes top 10 shareholders only as on April 1, 2015  
@ denotes top 10 shareholders only as on March 31, 2016
- NA denotes that the Shareholder was not among top 10 shareholders during the relevant date

**v) Shareholding of Directors and Key Managerial Personnel:**

None of the Directors/Key Managerial Personnel of the Company, held any Equity Shares of the Company either at the beginning of the year i.e. April 1, 2015 or at the end of the year i.e. March 31, 2016 or dealt in the Equity Shares of the Company during financial year 2015-16 and information in this regard is Nil.

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ Million

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of FY i.e. 1 April, 2015</b>				
i) Principal Amount	1,331.17	-	-	1,331.17
ii) Interest Due but not paid	-	-	-	-
iii) Interest accrued but not due	8.47	-	-	8.47
<b>Total</b>	<b>1,339.64</b>	-	-	<b>1,339.64</b>
<b>Change in Indebtedness during the FY</b>				
• Addition	70.00	-	-	70.00
• Reduction	(281.24)	-	-	(281.24)
<b>Net Change</b>	<b>(211.24)</b>	-	-	<b>(211.24)</b>
<b>Indebtedness at the end of FY i.e. 31 March, 2016</b>				
i) Principal Amount	1,120.87	-	-	1,120.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.53	-	-	7.53
<b>Total</b>	<b>1,128.40</b>	-	-	<b>1,128.40</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****a) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ Million

Particulars of Remuneration	Ashish Kirpal Pandit (Executive Director & CEO from June 1, 2015 to October 12, 2015)
Gross salary (As per Income Tax Act)	
Salary	3.57
Perquisites	0.02
Profit in lieu of salary	-
Stock Option	-
Sweat Equity	-
Commission - as % of profit	-
Others (Contribution to Provident Fund)	0.23
<b>Total</b>	<b>3.82</b>
Ceiling as per the Act	15.02

**b) Remuneration to other directors:**

₹ Million

Name of Director	Sitting Fees	Commission	Others	Total
Subhash Chandra	0.14	0.30	-	0.44
Surjit Banga	0.34	0.30	-	0.64
Vinod Kumar Bakshi *	0.16	0.14	-	0.30
Uma Mandavgane	0.26	0.30	-	0.56
Rashmi Aggarwal \$	0.14	0.19	-	0.33
Kanta Devi Allria \$	0.06	0.19	-	0.25
<b>Total</b>	<b>1.10</b>	<b>1.42</b>	<b>-</b>	<b>2.52</b>
Ceiling as per Act				3.00

\* Resigned w.e.f. September 9, 2015.

\$ Appointed w.e.f. August 10, 2015.

**c) Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

₹ Million

Particulars of Remuneration	Key Managerial Personnel			Total
	Dr Bhaskar Das (Group CEO – News Cluster)*	Dinesh Garg (CFO)	Pushpal Sanghavi (Company Secretary) #	
Gross salary (As per Income Tax Act)				
Salary	48.82	4.96	5.82	59.60
Perquisites	0.04	0.03	0.03	0.10
Profits in Lieu of Salary				
Stock Option				
Sweat Equity				
Commission				
Others (Contribution to Provident Fund)	1.24	0.30	0.28	1.82
<b>Total</b>	<b>50.10</b>	<b>5.29</b>	<b>6.13</b>	<b>61.52</b>

# Draws remuneration from one of the group entity.

\* Remuneration details included for full year, though he was nominated as KMP for part of the year.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** None

For and on behalf of the Board

**Surjit Banga**  
Non-Executive Chairman

**Rajendra Kumar Arora**  
Executive Director & CEO

Place: Mumbai  
Date : May 24, 2016

# ANNEXURE TO THE DIRECTORS' REPORT

## Particulars of Remuneration of Employees

{Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

**The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

Name of Director/ Key Managerial Personnel	#Remuneration (Rs in Million)	% increase in Remuneration	Ratio of Director's Remuneration to median remuneration	Comparison of remuneration of each KMP against Company's performance	
				% of Turnover	% of Net Profit before tax
<b>Non-Executive Directors</b>					
Subhash Chandra	0.30	NA	0.67:1		NA
Vinod Kumar Bakshi <sup>^</sup>	0.14	NA	0.30:1		NA
Surjit Banga	0.30	NA	0.67:1		NA
Uma Mandavgane	0.30	NA	0.67:1		NA
Rashmi Aggarwal*	0.19	NA	0.43:1		
Kanta Devi Allria*	0.19	NA	0.43:1		
<b>Executive Director</b>					
Ashish Kirpal Pandit@	3.82	NA	8.47:1	0.10	1.34
<b>Key Managerial Personnel</b>					
Bhaskar Das&	50.10	Nil	NA	1.27	17.67
Dinesh Garg	5.29	10%	NA	0.13	1.87
Pushpal Sanghavi\$	6.13	NA	NA	0.16	2.16

# Non-Executive Directors remuneration represents Commission & excludes Sitting Fees

\* Appointed with effect from August 10, 2015

<sup>^</sup> Resigned with effect from September 9, 2015

@ Held position of Executive Director & CEO from June 1, 2015 till October 12, 2015

& Though Mr. Bhaskar Das was Key Managerial Personnel for part of the year, remuneration details are for full year.

\$ Remunerated by one of the group entity

NA denotes Not Applicable

Sr	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in financial year	10.5%
2	Number of permanent employees on the rolls of the Company	1450 (As at March 31, 2016)
3	The explanation on the relationship between average increase in remuneration and Company's performance	The average increment of 7.5% during the year was in line with the market trend and Company performance. In order to ensure that remuneration reflects Company performance, the performance incentive is also linked to organization performance, apart from individual performance.

Sr	Requirement	Disclosure												
4	Comparison of the remuneration of the key managerial personnel against the performance of the Company [Standalone]	The aggregate remuneration of Executive Directors & Key Managerial Personnel was 1.66% of turnover and 23.04% of Net Profit (before tax) during financial year												
5	Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current and previous financial year	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Market Capitalization (Rs in Mio)</th> <th>Price Earnings ratio</th> </tr> </thead> <tbody> <tr> <td>31.03.16</td> <td>8,639</td> <td>45.6</td> </tr> <tr> <td>31.03.15</td> <td>6,410</td> <td>104.0</td> </tr> <tr> <td>Change %</td> <td>34.77</td> <td>(56.15)</td> </tr> </tbody> </table> <p>Note: During FY16 the Company had concluded Rights Issue of 108,643,732 Equity Shares of ₹ 1 each at Issue price of ₹ 18 per Equity Shares and therefore % change in market capitalization &amp; price earnings ratio will not be comparable.</p>	Particulars	Market Capitalization (Rs in Mio)	Price Earnings ratio	31.03.16	8,639	45.6	31.03.15	6,410	104.0	Change %	34.77	(56.15)
Particulars	Market Capitalization (Rs in Mio)	Price Earnings ratio												
31.03.16	8,639	45.6												
31.03.15	6,410	104.0												
Change %	34.77	(56.15)												
6	Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	<table border="1"> <thead> <tr> <th></th> <th>BSE</th> <th>NSE</th> </tr> </thead> <tbody> <tr> <td>31.03.2016</td> <td>18.40</td> <td>18.35</td> </tr> <tr> <td>Rights Issue</td> <td>18.00</td> <td>18.00</td> </tr> <tr> <td>Change %</td> <td>2%</td> <td>2%</td> </tr> </tbody> </table> <p>The Equity Shares of Company were listed in 2007 in pursuance of a Scheme of Arrangement. The Company had made last public offer by way of Rights Issue in April 2015 at an Issue price of ₹ 18 per Equity Share of ₹ 1 each</p>		BSE	NSE	31.03.2016	18.40	18.35	Rights Issue	18.00	18.00	Change %	2%	2%
	BSE	NSE												
31.03.2016	18.40	18.35												
Rights Issue	18.00	18.00												
Change %	2%	2%												
7	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 7.5%, while there was no increase in the managerial remuneration during financial year 2015-16, as the Executive Director & CEO had resigned with effect from close of October 12, 2015.												
8	Key parameters for any variable component of remuneration availed by the Directors	Not Applicable as the Executive Director resigned with effect from close of October 12, 2015 and was not entitled to any variable pay during the year under review. Variable component of remuneration i.e. Commission of Non-Executive Directors (being limited to 1% of Profit) <i>inter alia</i> is based on performance of the Company												
9	The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable as the Company did not have any Executive Director as at March 31, 2016. However Mr. Bhaskar Das, Group CEO-News Cluster (employed for full year) received remuneration in excess of remuneration received by Mr. Ashish Kirpal Pandit, Executive Director & CEO from June 1, 2015 till October 12, 2015 and the ratio of remuneration was 1:13.												
10	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company.												

## B. Particulars of Employees drawing remuneration in excess of ₹ 5 Lacs per month or ₹ 60 Lacs per annum

## I. Employed throughout the year and in receipt of remuneration aggregating to ₹ 60 Lacs or more per annum

Name	Age	Designation	Remuneration	Qualification .	Exp in Years	Date of joining	Last Employment
Adil Jal Darukhanawala	58	Chief Editor - Auto	7,606,796	N.C.T.V.T.	28	30-Sep-13	ZIG Wheels, Times Group
Bhaskar Das	62	Group CEO - News Cluster	50,096,413	Ph.D in Marketing Management, MBA in Marketing	35	22-Oct-12	Bennett, Coleman & Company Ltd
Manish Seth	37	Sr VP – Sales	6,910,903	Bsc., PGDMM.- Marketing	16	25-Apr-06	Bennett, Coleman & Company Ltd
Sudhir Chaudhary	42	Editor	12,745,870	B.A., PG – Journalism	20	17-Jul-12	Broadcast Initiatives Ltd
Uday Nirgudkar	50	CEO - DNA & Head Operations & Editorial - Zee 24Taas	9,242,793	Phd, MBA	23	05-Mar-12	UTS Pvt. Ltd

## II. Employed for part of the year and in receipt of remuneration aggregating to ₹ 5 Lacs or more per month

Name	Age	Designation	Total Remuneration paid FY15	Qualification Exp.	Exp in Years	Date of joining	Last Employment
Rajendra Kumar Arora	52	Chief Executive Officer	12,813,893	CA, B.Com	23	25-May-15	News Nation
Rohit Gandhi	46	Editor in Chief - WION and DNA	6,599,747	Masters in Communication Studies, Bachelors in Sociology & Anthropology	24	17-Aug-15	CBC
Ashish Kirpal Pandit	48	Executive Director & CEO	6,237,586	MBA - Indiana State University, U.S.A.	22	01-Oct-14	Infotel Group

For and on behalf of the Board

**Surjit Banga**  
Non-Executive Chairman

**Rajendra Kumar Arora**  
Executive Director & CEO

Place: Mumbai  
Date : May 24, 2016

# SECRETARIAL AUDIT REPORT-2015-16

To,  
The Members of  
**Zee Media Corporation Limited**  
Continental Building,  
135, Dr. Annie Besant Road, Worli,  
Mumbai-400 018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zee Media Corporation Limited** (CIN: L92100MH1999PLC121506) (hereinafter called the Company) for F.Y. 2015-16. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period'), the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of following acts and regulations, to the extent applicable to the Company during the Audit period:

- I. The Companies Act, 2013 (**the Act**) and Companies Act, 1956 (to the extent applicable), the Rules made thereunder including any re-enactment thereof;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent applicable during the Audit Period;
- VI. The Company has identified the following Laws as specifically applicable to the Company:
  - a. Uplinking /downlinking policy / guidelines issued by Ministry of Information and Broadcasting;
  - b. The Cable Television Network (Regulations) Act, 1995 and rules framed thereunder;
  - c. Intellectual Property rights related laws;
  - d. The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012

I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

During the Audit period under review, based on the said verifications and as per representations and clarifications provided by the Management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement(s) etc. as mentioned hereinabove.

I further report that:

- Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
- The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decision at the Board Meetings, as represented by the Management and recorded in the minutes, were generally unanimous.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period

- (a) the Board of Directors of the Company (under a Right Issue which opened on March 25, 2015 and closed on April 8, 2015) had on April 18, 2015, allotted 108,643,732 Equity Shares (Rights Shares) of ₹ 1 each on Rights Basis to the eligible shareholders/renounces as per the terms detailed in the Letter of Offer dated March 16, 2015.
- (b) an Ordinary Resolution pursuant to Clause 49 of the Listing Agreement seeking approval of unrelated shareholders for ongoing material related party transaction between the Company and Taj Television (India) Private Limited, a related party as per Accounting Standard 18, was passed by way of Postal Ballot on November 3, 2015 with requisite majority.

**CS Satish K. Shah**  
FCS1313/CP3142

Place: Mumbai

Date: May 24, 2016

# CORPORATE GOVERNANCE REPORT

## PHILOSOPHY

Corporate Governance philosophy at Zee Media Corporation Limited ('Company') stems from the belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including shareholders, viewers etc. Good Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximize long-term shareholder value, while preserving the interests of multiple stakeholders, including the society at large. Corporate Governance at Zee Media is founded upon 4 pillars of Core Values viz., Transparency, Integrity, Honesty and Accountability.

Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with balanced mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place system, process and technology. In its endeavour to improve on the Corporate Governance practices, the Board has adopted a Corporate Governance Manual which serves as guide in various activities and decisions in normal course of business.

## POLICIES

In compliance with the requirements of Listing Agreements with Stock Exchanges, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), SEBI Regulations and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

### Whistle Blower & Vigil Mechanism Policy

As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistle-blowers from reprisals or victimization.

### Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management and all the Directors and senior functionaries as defined in the Code provide their annual confirmation of compliance with the Code. Copy of the Code is available on the website of the Company [www.zeenews.india.com](http://www.zeenews.india.com). Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of Independent Directors as prescribed in Schedule IV of the

Companies Act, 2013 and/or prescribed in Listing Regulations forms part of the appointment letters issued to Independent Directors.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below

### **Declaration**

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2016.

R K Arora  
Executive Director & CEO  
Mumbai, May 24, 2016

### Related Party Transaction Policy

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate senior management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on [www.zeenews.india.com](http://www.zeenews.india.com)

### Policies & Code as per SEBI Insider Trading Regulations

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

Mr. Pushpal Sanghavi, Company Secretary of the Company is Compliance officer for the purposes of Insider Trading Code, while the Chief Executive Officer of the Company has been assigned responsibility under Fair Disclosure policy

### Familiarisation Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities at the time of their appointment as Directors and regular presentations are made to the Board / Board Committees covering business strategies, management structure, periodic financial results, budgets and operations of subsidiaries etc.

Apart from above policies, the Board has in accordance with the requirements of the Companies Act, 2013 and Listing Regulations approved and adopted Policy for Determining Material Subsidiary, Policy for Determining Material Events,

Policy for Preservation of Documents and Archival of Records, Corporate Social Responsibility Policy and Remuneration Policy. These policies can be viewed on Company's website at [www.zeenews.india.com](http://www.zeenews.india.com).

## BOARD OF DIRECTORS

### *Composition & Category of Directors*

Your Company has a balanced Board with an optimum combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with the Regulation 17(1) of Listing Regulations. Independent Directors of the Company provide appropriate certifications annually and/or at the time of their appointment to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

Composition of the Board as on March 31, 2016

Category of Directors	Number of Directors	% of total number of Directors
Executive Director	0	0%
Non-Executive Independent Directors	4	80%
Other Non-Executive Director	1	20%
<b>Total</b>	<b>5</b>	<b>100%</b>

Dr. Subhash Chandra resigned as Director & Non-Executive Chairman of the Company with effect from May 24, 2016 and Mr. Rajendra Kumar Arora was appointed as an Executive Director & Chief Executive Officer with effect from May 24, 2016.

During the year under review, 7 (seven) meetings of the Board were held on April 18, 2015, May 22, 2015, August 7, 2015, October 20, 2015, January 21, 2016, February 27, 2016 and March 23, 2016. The annual calendar of meetings in connection with approval of quarterly and annual financial statements of the Company is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings detailed above held during the financial year 2015-16 and also their other Directorships/Chairmanship held in Indian Public Companies & Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2016 are as under:

Name of Director	Attendance at		No of Directorship in other public companies		No of Committee positions held in other public companies	
	Board Meeting (Total 7 Meetings)	16 <sup>th</sup> AGM held on August 07, 2015	Member	Chairman	Member	Chairman
<b>Independent</b>						
Vinod Kumar Bakshi\$	3	Yes	NA	NA	NA	NA
Surjit Banga	7	Yes	4	-	6	5
Uma Mandavgane	7	Yes	1	-	-	2
Rashmi Aggarwal*	4	NA	2	-	1	-
Kanta Devi Allria*	2	NA	-	-	-	-
<b>Promoter Non-Executive</b>						
Subhash Chandra	4	Yes	4	2	1	-
<b>Executive</b>						
Ashish Kirpal Pandit #	2	No	NA	NA	NA	NA

\$ Resigned w.e.f. September 9, 2015.

\* Appointed w.e.f. August 10, 2015.

# Director during the period from May 22, 2015 till October 12, 2015.

As at March 31, 2016, none of the Directors of the Company are related inter-se and none of the Directors of the Company hold any securities of the Company.

#### *Board Procedure*

Schedule of the Board meetings for approval of quarterly and annual financial results each year are decided well in advance and communicated to the Directors. Board meetings are generally held either at Company's offices in Mumbai or at the corporate office at Noida. The agenda alongwith the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. Senior management personnel are normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies. All relevant information required to be placed before the Board as per Listing Regulations are considered and taken on record/approved by the Board.

The Board periodically reviews certificates in respect of compliance of various laws and regulations applicable to the Company.

#### **Brief profile of Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting**

**Dr. (Mrs) Rashmi Aggarwal**, 41, (DIN-07181938) is a Bachelor of Science, a Law Graduate, Masters in Law, and a Ph. D (Patents Law) from Law Department, Punjab University, Chandigarh. She started her career as an Advocate in the Punjab and Haryana High Court and Supreme Court of India and then joined Amity Business School, Noida as a faculty. She is currently a faculty in the area of Economics, Environment and policy at IMT Ghaziabad and visiting faculty with IIMs and management institutes in France and Dubai. She is the Chairperson for the 2 years PDGM Program at IMT Ghaziabad.

Dr. Aggarwal research interests are in the area of Cybercrimes, Intellectual Property Rights, Corporate laws and Corporate Governance. Her publications includes books, 32 international research publications, 20 book chapters, book reviews, case studies with Harvard on Maruti Suzuki - Industrial Relations, and other publications in the area of Cyber Crime in India, Airasia: India Entry, Failure of Touchpad: An HP Case Story, Tax me not: Vodafone's Plea to India and Directors remuneration etc., to her credit. Dr Aggarwal has presented her research work in national and international conferences in India and abroad including USA, Japan, UK, Hong Kong, and Italy.

She has been a Program Director for various management training programmes like Arbitration and Conciliation in commercial contracts, IPR and Management in collaboration

with CII, Compensation and Benefit Program with HCL Technologies, Intellectual Property Rights and Global Competitiveness etc.

Apart from the Company, Dr (Mrs) Rashmi Aggarwal holds Directorship in Essel Finance VKC Forex Limited and Dish TV India Limited.

As at March 31, 2016, Dr. (Mrs) Rashmi Aggarwal does not hold any shares of the Company.

**Mrs. Kanta Devi Allria**, 45, (DIN 07185431), an Intermediary, is a Social activist committed to welfare and well-being of Dalits. In over 2 decades Mrs. Kanta Devi has engaged herself on various social causes including those on Dalit Woman Welfare, Pulse Polio camps, Child labour, Drug abuse etc. Currently she is a Member of Bhartiya Janata Party, while earlier she was associated with Bahujan Samaj Party, Haryana Samajwadi Party and Indian Bahujan Sandesh Party.

As at March 31, 2016, Mrs Kanta Devi Allria does not hold shares of the Company. Further apart from the Company Mrs. Allria does not hold directorship in any other Company.

**Mr. Surjit Banga**, 75, (DIN 00001637), a senior and experienced banker is known for his leadership and commendable contribution to the Banking sector. Mr. Banga held the position of Managing Director of SBI Factors and Commercial Services Ltd and was associated with State Bank of India in various capacities in his 37 years of career in Banking. He is Graduate in Sociology, Fellow Member of All India Management Association and a Certified Associate of Indian Institute of Bankers.

Apart from the Company, Mr. Surjit Banga holds Directorship in Jetking Infotrain Ltd, Zee Learn Limited, Pri-Media Services Pvt Ltd, Digital Ventures Pvt Ltd and Quantum Trustee Company Pvt Ltd.

As at March 31, 2016, Mr. Surjit Banga does not hold any shares of the Company.

**Mr. Rajendra Kumar Arora**, 52 (DIN 00005407) a Chartered Accountant, with 24 years of experience in the industry, has held senior positions with various Media organizations including iTV Network, BAG Network and India TV.

Currently apart from the Company, Mr Arora holds Directorship in Emerging India Reality and Hospitality Private Limited and has been appointed as Director of Company's subsidiaries viz. Maurya TV Private Limited, PriMedia Services Pvt Ltd and Zee Akaash News Private Limited during FY17.

Mr Arora holds 500 (0.00%) Equity Shares of the Company.

## BOARD COMMITTEES

Particulars of Meetings of Board Committees held during the year along with details of Directors attendance at such Committee Meeting(s) are detailed herein:

Particulars	Audit Committee	Nomination & Remuneration Committee	Stakeholders Grievance Committee	Corporate Social Responsibility Committee
<b>No of Meetings held</b>	6	2	4	2
<b>Directors attendance</b>				
Dr. Subhash Chandra	NA	2	1	1
Mr. Vinod Kumar Bakshi %	3	2	2	NA
Mr. Surjit Banga	6	2	4	2
Mrs. Uma Mandavgane	6	NA	1	NA
Dr (Mrs) Rashmi Aggarwal#	3	NA	NA	NA
Mrs Kanta Devi Allria#	NA	NA	NA	1
Mr. Ashish Kirpal Pandit @	NA	NA	NA	NA

### Note:

# Appointed with effect from August 10, 2015.

% Resigned with effect from September 9, 2015.

@ Resigned with effect from the close of business on October 12, 2015.

NA denotes that the director is not a Member of such Committee.

In compliance with the requirements of Regulation 25 of Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on March 23, 2016 to review performance of the Chairman and other Non-Independent Directors, evaluate performance of the Board and review flow of information between the management and the Board.

### Board Committees

#### (a) Audit Committee

##### Constitution

As at March 31, 2016, the Audit Committee of the Board comprised of three (3) Directors including Mr. Surjit Banga, an Independent Director as Chairman and Mrs. Uma Mandavgane and Dr. (Mrs.) Rashmi Aggarwal, Independent Directors as Members. During the year under review, the Audit Committee was reconstituted consequent to resignation of Mr. Vinod Kumar Bakshi with effect from September 9, 2015 and appointment of Dr. (Mrs.) Rashmi Aggarwal as Member of the Committee with effect from August 10, 2015. Further upon appointment of Mr. Rajendra Kumar Arora as Executive Director & CEO, he was nominated as one of the Member of Audit Committee with effect from May 24, 2016.

During the year under review, Audit Committee met for six (6) times on April 18, 2015, May 22, 2015, August 6, 2015, October 19, 2015, January 20, 2016 and March 23, 2016.

##### Terms of reference

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II Part C of the Listing

Regulations and was as set out in Clause 49 of the Listing Agreement(s) with Stock Exchanges and Section 177 of Companies Act, 2013. The terms of reference of the Audit Committee broadly includes:

- Review Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient, accurate, timely and credible.
- Review and recommend for approval of the Board quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review internal audit reports, related party transactions, company's financial and risk management policies and functioning of Whistle Blower & Vigil Mechanism Policy
- Review with the management, external and internal auditors, the adequacy of internal control systems including computerized information system controls and security.
- Recommend to the Board the appointment, reappointment and removal of the statutory auditor, fixation of audit fee and approval of payment of fees for any other services.
- Review the adequacy of internal audit function including approving appointment and remuneration payable to Internal Auditor

Additionally, in compliance with requirements of Regulation 24 of the Listing Regulations, the Audit Committee reviews operations of Subsidiary Companies viz., its financial statements, significant related party transactions, statement of investments and minutes of meetings of its Board and Committees.

Audit Committee meetings are generally attended by the Chief Executive Officer, Chief Financial Officer and representative of the Statutory Auditors of the Company. Internal Auditors have

attended Audit Committee Meetings wherein the Internal Audit reports were considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

## (b) Nomination & Remuneration Committee

### Constitution

As at March 31, 2016 the Nomination & Remuneration Committee comprised of Mr Surjit Banga as Chairman and Dr. Subhash Chandra, Director and Dr. (Mrs.) Rashmi Aggarwal, Independent Director as Members. During the year under review, the Nomination & Remuneration Committee was re-constituted consequent to resignation of Mr. Vinod Kumar Bakshi with effect from September 9, 2015 and appointment of Dr. (Mrs.) Rashmi Aggarwal as Member of the Committee with effect from October 20, 2015. Further upon resignation of Dr Subhash Chandra as Director, the Nomination & Remuneration Committee was re-constituted with effect from May 24, 2016. The Nomination & Remuneration Committee currently comprises of Dr. (Mrs) Rashmi Aggarwal, Independent Director as Chairperson and Mr. Surjit Banga and Mrs. Uma Mandavgane, Independent Directors as Members of the Committee.

During the year under review the Committee met twice on May 22, 2015 and August 6, 2015.

### Terms of reference

The terms of reference of the Nomination & Remuneration Committee, *inter alia*, consists of

- (i) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommending their appointment and removal to the Board;
- (ii) Formulating criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- (iii) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees/directors of the quality required to run the Company successfully;
- (iv) Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (v) Formulating policy with regard to remuneration to directors, key managerial personnel and senior management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Additionally, the Committee has been vested with the powers for administration and implementation of Company's Employees Stock Option Scheme.

### Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire Board with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgment in the best interests of the Company and on specific criteria which include commitment, guidance to management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgment, maintenance of confidentiality and contribution to corporate governance practice within the Company.

### Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

### Remuneration paid to Executive Directors

During the year under review, Mr. Ashish Kirpal Pandit who was appointed as an Executive Director & CEO w.e.f. June 1, 2015 had resigned with effect from the close of business on October 12, 2015. Particulars of remuneration paid to Mr. Ashish Kirpal Pandit as Executive Director is as detailed herein:

(₹ in Million)	
Particulars	Amount
Salary, Allowances & Perquisites	3.59
Employer's Contribution to Provident Fund	0.23
<b>Total</b>	<b>3.82</b>

### Remuneration payable to Non-Executive Directors

The Non-Executive Directors are paid sitting fee of ₹ 20,000 for attending each meeting of the Board and Committees thereof, other than Stakeholders Relationship Committee and Finance Sub-Committee.

Pursuant to Member approval at 13th Annual General Meeting held on July 19, 2012, Non-Executive Directors are entitled to receive remuneration as determined by the Board in the form of Commission of upto maximum of 1% of profits of the Company. Within the aforesaid limit the commission payable each year is determined by the Board based *inter alia* on the performance of Directors and regulatory provisions applicable to the Company. As per the current policy, the Company pays equal amount of commission to Non-Executive Directors on a pro-rata basis.

Particulars of Sitting Fees paid and Commission payable to Non-Executive Directors of the Company for financial year 2015-16 is as detailed herein:

(₹ in Million)

Name of Director	Sitting Fees	Commission	Total
Subhash Chandra	0.14	0.30	0.44
Surjit Banga	0.34	0.30	0.64
Vinod Kumar Bakshi *	0.16	0.14	0.30
Uma Mandavgane	0.26	0.30	0.56
Rashmi Aggarwal \$	0.14	0.19	0.33
Kanta Devi Allria \$	0.06	0.19	0.25
<b>Total</b>	<b>1.10</b>	<b>1.42</b>	<b>2.52</b>

\* Resigned with effect from September 9, 2015.

\$ Appointed with effect from August 10, 2015.

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in the normal course of business.

### (c) Stakeholders Relationship Committee

#### Constitution

As at March 31, 2016, the Stakeholders Relationship Committee of the Board comprised of Mr Surjit Banga, Independent Director, as Chairman and Dr Subhash Chandra, Non-Executive Director and Mrs. Uma Mandavgane, Independent Director as Members. During the year under review, the Stakeholders Relationship Committee was reconstituted consequent to resignation of Mr. Vinod Kumar Bakshi with effect from September 9, 2015 and appointment of Mrs. Uma Mandavgane as Member of the Committee with effect from October 20, 2015. Further upon resignation of Dr Subhash Chandra the Board has nominated Mr. Rajendra Kumar Arora, Executive Director & CEO of the Company as Member of Stakeholders Relationship Committee with effect from May 24, 2016. The Company Secretary is the Secretary of the Committee.

During the year under review the Committee met four (4) times on April 18, 2015, July 9, 2015, October 20, 2015 and January 20, 2016.

#### Terms of reference

Main function of Stakeholders Relationship Committee is to strengthen investor relations; ensure efficient transfer/transmission etc., of shares and proper and timely attendance of investor's grievances. The Committee has delegated various powers including approving requests for transfer, transmission, rematerialisation & dematerialisation etc. of Equity shares to the Executives of the Company and the Company Secretary, being the compliance officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints and report the same to Stakeholders Relationship Committee.

Details of number of complaints received and resolved during the year ended March 31, 2016 are as under:

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	0	0	0
Non-receipt of Annual Report	0	0	0
Letter from Stock Exchanges / SEBI	2	2	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>

### Other Board Committees

In addition to the above, the Board has constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

#### i) Corporate Social Responsibility Committee

In compliance with Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules 2014, the Board has constituted Corporate Social Responsibility Committee. As at March 31, 2016 the Corporate Social Responsibility Committee comprised of Dr Subhash Chandra, Non-Executive Director as Chairman and Mr Surjit Banga and Mrs Kanta Devi Allria, Independent Directors as Members. During the year under review the Committee was reconstituted consequent to resignation of Mr. Vinod Bakshi with effect from September 9, 2015 and nomination of Mrs. Kanta Devi Allria as Member of the Committee with effect from October 20, 2015. Further consequent to resignation of Dr. Subhash Chandra, the Corporate Social Responsibility was re-constituted by the Board, with nomination of Mr. Rajendra Kumar Arora, Executive Director & CEO as Chairman of the Committee with effect from May 24, 2016.

During the year under review, Corporate Social Responsibility Committee met twice on February 27, 2016 and March 23, 2016.

A detailed report on CSR activities undertaken by the Company during the Financial Year 2015-16 forms part of this Annual Report.

#### ii) Finance Sub-Committee

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered and exercising such other authorities as may be delegated by the Board from time to time, the Board has constituted a Finance Sub-Committee. As at March 31, 2016, the Finance Sub-Committee comprised of Mr. Surjit Banga, Independent Director as Chairman and Dr Subhash Chandra, Non-Executive Director and Mrs. Uma Mandavgane,

Independent Director as Member. During the year under review the Committee was reconstituted consequent to resignation of Mr. Vinod Kumar Bakshi with effect from September 9, 2015 and appointment of Dr. Subhash Chandra and Mrs. Uma Mandavgane as Members of the Committee with effect from October 20, 2015. Further consequent to resignation of Dr. Subhash Chandra, the Finance Sub-Committee was reconstituted with effect from May 24, 2016 by nomination of Mr. Rajendra Kumar Arora, Executive Director & CEO as Chairman of the Committee.

iii) *Corporate Management Committee*

The Board has also constituted a Corporate Management Committee comprising of Senior Executives of the Company to

review, approve and/or grant authorities for managing day-to-day affairs of the Company within the powers delegated by the Board.

**GENERAL MEETINGS**

The 17th Annual General Meeting of the Company for the Financial Year 2015-16 will be held on Wednesday, August 3, 2016 at 11.00 a.m. at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025.

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed thereat are as follows:

Year	Date and Time	Special Resolutions passed	Venue
2014-15	August 7, 2015 – 11.00 a.m.	Appointment of and payment of Remuneration to Mr Ashish Kirpal Pandit as Executive Director & CEO of the Company for a period of three years w.e.f. June 1, 2015	The Hall of Harmony, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018
2013-14	August 7, 2014- 11.00 a.m.	Power to borrow in excess of paid-up capital and free reserves u/s 180(1)(c)	The Hall of Culture, Nehru Centre, Dr, Annie Besant Road, Worli, Mumbai 400 018
2012-13	July 30, 2013- 11.00 a.m.	None	The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018

**Postal Ballot**

Particulars of Resolutions passed by way of Postal Ballot during financial year 2015-16 are as detailed herein:

Date of Notice: September 23, 2015	Date of Result: November 3, 2015	
Particulars of Resolution	Details of Votes Cast (Number of Shares & % of total shares for which votes were cast)	
	For	Against
<b>Ordinary Resolution</b> pursuant to Clause 49 of the Listing Agreement seeking approval of Un-related Shareholders for an On-going Related Party Transaction by the Company with Taj Television (India) Pvt Ltd, a related party under Accounting Standard 18.	47,995,167 (99.96%)	19,503 (0.04%)

Mr. Satish K Shah, Practising Company Secretary was appointed as a Scrutinizer in respect of the aforesaid resolution, to ensure that E-voting and Postal Ballot Voting process is conducted in fair and transparent manner. The above resolution was passed with requisite majority.

None of the resolution(s) proposed at the ensuing AGM is required to be passed by way of Postal Ballot.

**DISCLOSURES**

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel have been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or Key management personnel or their relatives, having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed in the Annual Report.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the year under review and no penalties or strictures have been imposed on the Company by Stock Exchange, SEBI or other statutory authorities during last three years.

## MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc., to all Stock Exchanges where the shares of the Company are listed. Such information is also simultaneously displayed on the Company's website [www.zeenews.india.com](http://www.zeenews.india.com). The financial results quarterly, half yearly and annual and other statutory information were communicated to the shareholders by way of advertisement in a English newspaper 'dna' and in a vernacular language newspapers 'Punya Nagari Marathi' as per the requirements of the Stock Exchanges and requisite information are filed with Stock Exchange(s) in compliance with the Listing Regulations. Additionally, the financial and other information are filed by the Company on electronic platforms of NSE and BSE.

Official press releases and presentations made to institutional investors or to the analysts, if any, are displayed on Company's website [www.zeenews.india.com](http://www.zeenews.india.com).

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

**Zee Media Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by **Zee Media Corporation Limited** (the Company), for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 24 May, 2016

**SHAREHOLDERS' INFORMATION**

<b>1</b>	<b>Date, Time and Venue of Shareholder's Meeting</b>	Meeting : Annual General Meeting Day & Date : Wednesday, 3rd day of August 2016 Time : 11.00 a.m. Venue : Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025
<b>2</b>	<b>Financial Year</b>	April 01, 2015 to March 31, 2016
<b>3</b>	<b>Record Date</b>	Friday, July 29, 2016
<b>4</b>	<b>Registered office</b>	Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018, India Tel: +91-22-7106 1234 Fax: +91-22- 2300 2107 Website : www.zeenews.india.com
<b>5</b>	<b>Corporate Office</b>	Essel Studio, FC-09, Sector 16A, Noida 201 301, Uttar Pradesh, India Tel: 0120 251 1064 Fax: 0120 251 5381 /82
<b>6</b>	<b>Listing on Stock Exchanges</b>	BSE Limited (BSE) - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001  The National Stock Exchange of India Limited (NSE)- Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051  The Company has paid requisite Listing Fees to the Stock Exchanges for FY16
<b>7</b>	<b>Stock Code</b>	BSE- 532794 NSE- ZEEMEDIA-EQ.
<b>8</b>	<b>ISIN No.</b>	INE966H01019
<b>9</b>	<b>Corporate Identity Number</b>	L92100MH1999PLC121506
<b>10</b>	<b>Registrar &amp; Share Transfer Agent</b>	Link Intime India Private Limited (w.e.f. July 1, 2016) C-13, Pannalal Silk Mills Compound, L B S Road, Bhandup (West), Mumbai 400 078, India Tel: +91-22-2594 6970 Fax: +91-22- 2594 6969 E-Mail: rnt.helpdesk@linkintime.co.in
<b>11</b>	<b>Investor Relation Officer</b>	Mr. Pushpal Sanghavi Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India Tel: +91-22-7106 1234 Fax: +91-22-2300 2107 E-mail: complianceofficer@zeemedia.esselgroup.com

**12. Dividend**

The Board of Directors of the Company have recommended payment of Equity Dividend of ₹ 0.15 per equity share of ₹ 1 each i.e. 15% on the paid up equity capital of the Company and such Equity Dividend shall be payable upon approval by the Members of the Company on the outstanding capital as at the Record Date.

Equity Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid to all those shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfer in physical form lodged with the Company or its Registrar on or before July 29, 2016 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on July 29, 2016.

Dividend for the financial year ended March 31, 2009, which remains unpaid or unclaimed, will be due for transfer to the Investors Education and Protection Fund in October 2016. Members who have not encashed their dividend warrant(s) issued by the Company for the financial year ended March 31, 2009 are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

### 13. Change of Address

Members holding equity share(s) in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share in dematerialized form are requested to submit their PAN, notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address/dividend mandate, if any, to the Company/Registrar & Share Transfer Agent.

### 14. Unclaimed Shares

Details in respect of Unclaimed Equity Shares lying in the suspense account, is as under:

Description	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2015	83	42,409
Number of shareholders who approached the Company for transfer of shares from Suspense account till March 31, 2016	1	452
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2016	1	452
Aggregate number of shareholders and the outstanding shares in the Suspense account lying as on March 31, 2016	82	41,957

The voting rights on the shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

### 15. Share Transfer System

Equity Shares sent for physical transfer or for dematerialization are generally registered and returned within a period of 7 days

from the date of receipt of completed and validly executed documents.

### 16. Dematerialisation of Equity Shares & Liquidity

To facilitate trading of Equity Shares of the Company in dematerialised form the Company has made arrangements with both the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2016, 99.92% of the total issued and paid-up Equity Share capital of the company is held by 98,025 shareholders in Dematerialized form and the balance 0.08% is held by 678 shareholders in physical form.

### 17. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ information requests except for the cases where we are constrained because of some pending legal proceeding or court/statutory orders.

The Company endeavours to reply all letters received from the shareholders within a period of 5 working days.

All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

### 18. Share Capital Build-up

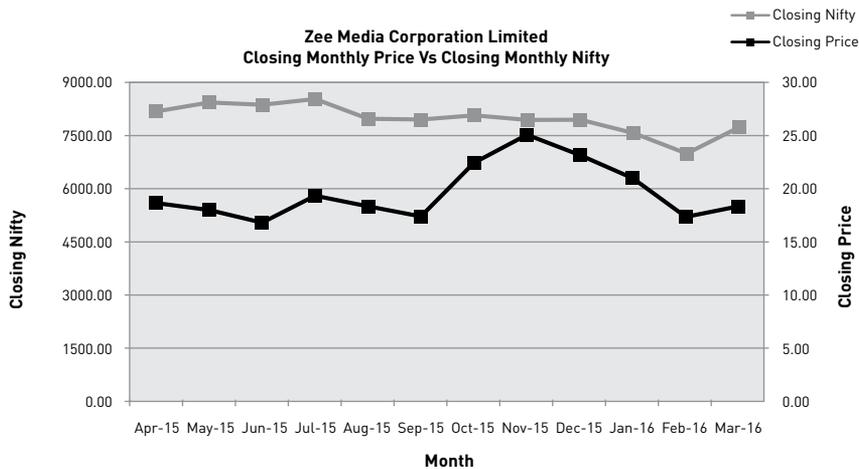
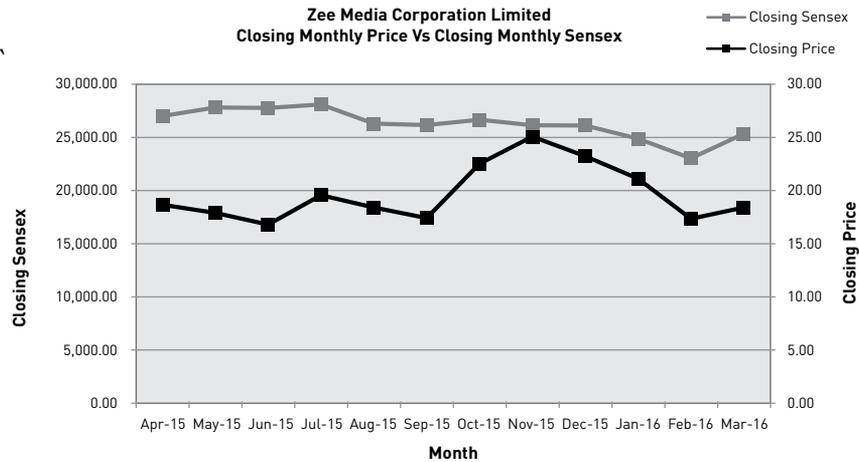
Particulars	No. of shares issued	Date of issue
Issued to Subscribers	70	28.08.99
Preferential Issue	1,000,000	26.11.99
Preferential Issue	8,749,930	13.09.05
Preferential Issue	850,000	28.09.05
Preferential Issue	5,250,000	28.09.05
Rights Issue	4,000,000	29.11.05
Cancellation of shareholding of Zee Entertainment Enterprises Limited pursuant to the Scheme	(6,574,920)	28.11.06
Sub-Division of Shares from ₹ 10 each to shares of ₹ 1 each	132,750,800	28.11.06
Reduction of Share Capital Pursuant to Scheme	(88,943,036)	28.11.06
Issued to shareholders of Zee Entertainment Enterprises Limited pursuant to Scheme of Arrangement	195,956,192	28.12.06
Issued to shareholders of Essel Publishers Private Limited pursuant to Scheme of Amalgamation	122,381,817	09.06.14
Rights issue of Equity Shares	108,643,732	18.04.15
<b>Issued &amp; paid up Capital as on March 31, 2016</b>	<b>470,789,505</b>	

### 19. Stock Market data relating to Shares Listed in India

Monthly high and low quotations and volume of shares traded on BSE & NSE for financial year 2015-2016 are:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2015	22.80	17.75	89,20,639	22.85	17.75	2,90,20,526
May 2015	19.75	17.80	29,07,902	19.80	17.85	1,32,85,815
June 2015	18.50	15.80	18,60,976	18.15	15.80	62,42,941
July 2015	21.90	16.85	1,34,14,196	21.95	16.80	4,52,95,942
August 2015	22.40	17.20	1,01,61,621	22.45	17.00	3,01,01,588
September 2015	18.85	16.40	27,25,987	18.90	16.65	99,20,682
October 2015	24.20	17.20	1,21,22,473	24.30	17.20	4,58,89,135
November 2015	26.60	19.15	99,93,583	26.70	20.25	3,31,37,704
December 2015	26.50	22.75	88,68,747	26.50	22.70	2,61,66,021
January 2016	24.10	17.90	67,64,727	24.15	17.90	1,64,92,867
February 2016	21.25	17.00	23,98,962	21.20	17.00	69,00,009
March 2016	19.40	17.50	30,19,176	19.10	17.55	84,68,260

### 20. Relative Performance of Zee Media Corporation Limited Shares Vs. BSE Sensex & Nifty Index



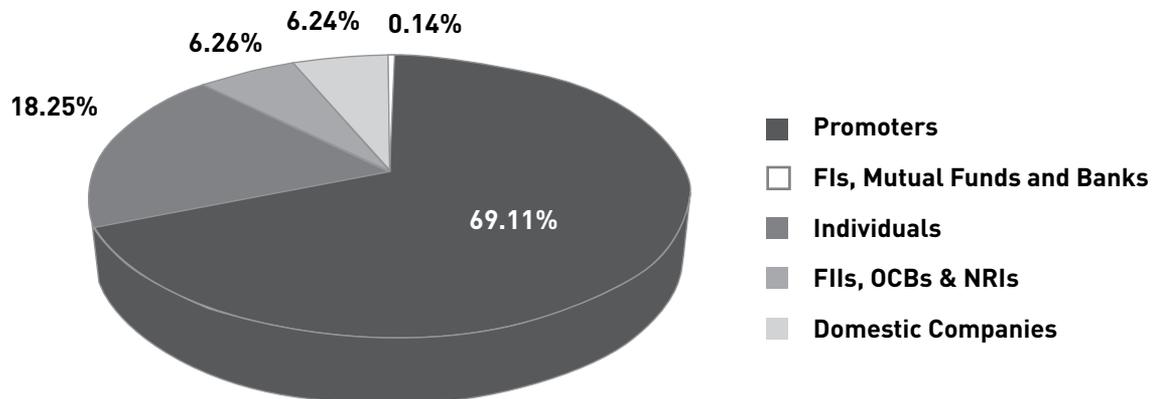
**21. Distribution of Shareholding as on March 31, 2016**

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	96,782	98.05%	30,024,250	6.38%
5001 - 10000	936	0.95%	7,276,824	1.55%
10001-20000	459	0.46%	6,807,691	1.44%
20001-30000	186	0.19%	4,676,143	0.99%
30001-40000	76	0.08%	2,681,380	0.57%
40001-50000	71	0.07%	3,341,501	0.71%
50001-100000	87	0.09%	6,588,632	1.40%
100001 and Above	106	0.11%	409,393,084	86.96%
<b>Total</b>	<b>98,703</b>	<b>100.00%</b>	<b>470,789,505</b>	<b>100.00%</b>

**22. Categories of Shareholders as on March 31, 2016**

Category	% of shareholding	No. of shares held
Promoters	69.11%	325,365,074
Individuals	18.25%	85,908,130
Domestic Companies	6.24%	29,354,988
FIs, Mutual funds and Banks	0.14%	681,714
FIIIs, OCBs & NRIs	6.26%	29,479,599
<b>Total</b>	<b>100.00%</b>	<b>470,789,505</b>

**Zee Media Corporation Limited**  
Share pattern as on 31-03-2016



## 23. Particulars of Shareholding

### a) Promoter Shareholding as on March 31, 2016

Sr.	Name of Shareholder	No of Shares held	% of shareholding
1	25 FPS Media Private Ltd.	166,268,323	35.32%
2	Sprit Textiles Private Ltd.	260	0.00%
3	Essel Infraprojects Ltd.	130	0.00%
4	Arm Infra & Utilities Ltd.	159,072,726	33.79%
5	Prime Publishing Private Ltd.	23,635	0.00%
	<b>Total</b>	<b>325,365,074</b>	<b>69.11%</b>

### b) Top Ten (10) Public Shareholding as on March 31, 2016

Sr.	Name of Shareholder	No of Shares held	% of shareholding
1	Acacia Partners LP	8,034,130	1.71%
2	Dilip Kumar lakhi	6,227,747	1.32%
3	Karuna Ventures Pvt. Ltd.	6,201,778	1.32%
4	India Opportunities Growth Fund Ltd-Pinewood Strategy	6,100,000	1.30%
5	Acacia Institutional Partners LP	5,186,610	1.10%
6	OHM Stock Broker Pvt Ltd.	5,000,000	1.06%
7	Acacia Conservation Fund LP	3,603,600	0.77%
8	Viral Amal Parikh	3,500,000	0.74%
9	Siddhant Durgesh Shah	3,400,000	0.72%
10	Vishesh Nimesh Shah	3,400,000	0.72%
	<b>Total</b>	<b>50,653,865</b>	<b>10.76%</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

The figures have been stated in ₹ millions (unless stated otherwise) in this MD&A for better readability. Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, and dependence on availability of qualified and trained manpower and other factors. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

## Company Overview:

Zee Media Corporation Limited (ZMCL) (BSE Code: 532794, NSE Code: ZEEMEDIA), is India's leading News Television organization with interests in National as well as Regional News channels. The Company was incorporated on August 27, 1999 as Zee Sports Limited and was later renamed as Zee Media Corporation Limited from erstwhile Zee News Limited (ZNL) to reflect the change in intent to reach out to consumers beyond television media and to signify the breadth of the news offerings across platforms.

The Company is listed at BSE and NSE since January 2007. To comply with the News Up-linking Guidelines of Government of India, Zee Entertainment Enterprises Limited (ZEEL) transferred its news business to Zee News Limited w.e.f. March

2006 by way of a de-merger scheme approved by the Hon'ble High Court of Bombay and thus ZNL had National and Regional News and Regional General Entertainment as its focus areas. However, in order to become a pure News Powerhouse, it was decided to separate the Regional General Entertainment Channel (RGEN) business from the News Business and under a Scheme of Arrangement approved by the Hon'ble Bombay High Court, the RGEN business undertaking of the Company were transferred to Zee Entertainment Enterprises Limited (ZEEL) with effect from January 1, 2010.

ZMCL also runs a Bangla news channel called '24 Ghanta' through a JV M/s Zee Akaash News Private Limited wherein it holds 60% equity stake while the other JV partner M/s Sky B (Bangla) Private Limited holds the remaining 40% stake. To further strengthen the hold in east, the company acquired 100% equity stake in Maurya TV Private Limited in December 2014.

Post amalgamation of Essel Publishers Private Limited with effect from April 1, 2014, your Company has entered into Print business comprising of printing and publishing of DNA, an English daily newspaper.

The Company's Broadcasting Network comprises of the following channels:

No.	Name of the Channel	Primary Coverage Region	Language
1	Zee News	National	Hindi
2	Zee Business	National	Hindi
3	India 24x7	National	Hindi
4	Zee 24 Taas	Maharashtra	Marathi
5	24 Ghanta	West Bengal	Bengali
6	Zee Punjab Haryana Himachal	Punjab, Haryana, Himachal Pradesh and Jammu & Kashmir	Punjabi and Hindi
7	Zee Madhya Pradesh Chhattisgarh	Madhya Pradesh and Chhattisgarh	Hindi
8	Zee Rajasthan News	Rajasthan	Hindi
9	Zee Kalinga News	Odisha	Odia
10	Zee Purvaiya	Bihar and Jharkhand	Hindi

## Media & Entertainment Industry

In 2015-16, India outgrew all of the major economies of the world in spite of turbulent waters globally as well as domestically. The growth was driven by strong domestic demand and its effect also rubbed off on to the Media & Entertainment sector.

As per FICCI-KPMG Indian Media and Entertainment Industry Report 2016, Media and Entertainment industry grew by 12.8% from ₹ 1,026 billion in 2014 to ₹ 1,157 billion in 2015. Television industry rode on massive spending by e-commerce companies and strong performance of important sports events, such as IPL and World Cup, to register a growth of 14.2% to ₹ 542 billion in 2015 from ₹ 475 billion in 2014. Broadcast advertisement revenues grew by 17% to ₹ 181 billion in 2015 from ₹ 155 billion in 2014. Broadcast subscription revenues witnessed a growth of 15% to ₹ 86 billion in 2015 from ₹ 75 billion in 2014.

The year witnessed the launch of an alternative rating system by Broadcast Audience Research Council (BARC), which includes rural population and larger sample size. The introduction of BARC led to a reshuffle in channel rankings and change in content strategy of all players. If the trends are sustained, it will lead to advertisers rethinking their ad budget allocation.

### News Segment

The news genre, where your company operates, witnessed single digit growth in 2015 as it was preceded by a year of high growth due to elections. As per FICCI-KPMG Indian Media and Entertainment Industry Report 2016, viewership share of News Genre was 6.5% of the total TV viewership.

The newspaper business in India, unlike other countries, continues to grow at a steady clip of 8%. The growth is being driven by increasing readership in smaller towns with young and aspiring population, growing impetus towards education, increasing national literacy rates, and lower penetration of internet as compared to western countries.

### Business Operations:

#### Broadcasting

In terms of newsgathering, the Company has one of the largest networks of news bureaus and correspondents with a pan-India presence. The Company's news gathering capabilities are significantly enhanced by its KU Band network and strong relationships with international news agencies. The Company is equipped with state-of-art technology in content creation, packaging and broadcasting.

#### Distribution

During FY16, all the channels of the Company were offered through various cable operators and DTH providers as a part of the Zee distribution bouquet of channels by Taj Television (India) Private Limited ("Taj Television"). From FY17 onwards, the Company's channels are offered as a part of the Zee distribution bouquet of channels by Zee Entertainment Enterprises Limited.

#### Up-linking of Channels

The Company has an arrangement with Dish TV India Limited for up-linking of its channels through their teleport. Dish TV has a license for up-linking of TV channels from the competent Government authority.

#### Advertisement Sales

The Company has entered into an arrangement with Zee Unimedia Limited from FY17 onwards to sell its advertisement space to various advertisers. Zee Unimedia is engaged in advertisement sales across Television, Print, DTH, Cable and Digital platforms. The arrangement is expected to benefit the Company with increased advertisement sales clientele due to cross / combined selling across media.

### Business Overview

During the year under review, your company's primary focus was on consolidating its existing offerings before moving on to

the next wave of expansion. The company sought to increase the reach of its recent launches as well as the digital channels. This resulted in Network's reach of 258 million viewers through television and more than 280 million consumers through digital medium. (Source: BARC, All India NCCS 4+, Jan-March 2016, Avg Monthly Reach; Google Analytics; Facebook; Twitter).

**Zee News**, your Network's flagship channel, continued to provide credible and authentic news to viewers and became the most trusted brand among the Hindi news channels according to The Brand Trust Report by TRA Research. The channel's exceptional journalism earned it the "Ramnath Goenka Excellence in Journalism Award 2013 for Hindi Broadcast" and "7<sup>th</sup> BCS Ratna Award for Outstanding Journalist of the Year".

As a socially conscious channel, the channel made a direct connect with viewers by making news relevant to their daily lives. The channel sought to answer viewers' anxieties towards the performance of new dispensation through "Modi Sarkar ka DNA Test," where 10 Ministers from the current Cabinet rated their respective ministry's performance. Raising the discussion on healthcare issues in the country, the channel ran a special two-month long campaign and concluded it with "Swastha Bharat Samman" to recognize outstanding work in the field of medical specialization. To accentuate the paramount role played by women in society, the channel has instituted "Zee: Indian Women Awards". The awards honour the accomplishments and contributions of women who have excelled in different spheres of life.

**Zee Business**, your Network's National Business channel, continued to cater to the economic and business community with conviction and was conferred with "ENBA Award 2015 for BARC India Business News Channel of the Year - Hindi". The channel posed economically relevant questions to the government through Ministerial Conclaves titled "Modi@1" and "India's Growth Story". The channel continued with its flagship markets-related initiatives of "Sensex Ka Sultan," India's first derivatives reality show and "Hunt for India's Smart Investor," which has become the largest reality show in the business news genre and aims to identify the country's smartest investor. To cater to the SME community, the channel organized "Emerging Business Forum," country's largest SME discussion forum, and "SME Growth Series," an initiative to engage the growth drivers of India. To educate and empower investors about various financial instruments and to help them to better plan their investments, the channel organized "Aapka Faayda" investor camps.

**24 Ghanta**, your Network's Bengali offering, stood out with its clear stand of unbiased and fearless reporting and widest coverage of West Bengal elections. Committed to the tradition of saluting and rewarding the heroes of Bengal, the channel organized the 8th edition of "Ananya Samman" and honoured the brave hearts of the state.

**Zee 24 Taas**, your Network's Marathi offering, continued its endeavour to turn the spotlight on unsung heroes of Maharashtra. The channel felicitated them through the 8th

edition of "Ananya Sanman". Keeping in view the Network's commitment to focus on news people can use, the channel organized several expert discussions covering diverse topics, such as "Happy Living Parishad" (ways of happy living through Yoga, laughter, etc), "Smart Women Lounge" (platform for women to get guidance and inspiration from achievers in various fields), and "Sutti Parishad" (ways of utilizing school vacations for fun, joy and development activities). The channel provided a platform to citizens to highlight city's problems to politicians and city administrators through "Aapla Shahar Aapla Awaaz" forums across Maharashtra. The channel sought to make a difference to the lives of poor students by organizing "Sangharshala Havi Saath," an event meant to generate donation for students who have excelled in Class 10 exams but cannot afford further education. The channel, along with DNA, organized "Young Innovator Awards" to highlight the efforts of students who came up with innovations powerful enough to bring a change in people's lives.

**India 24x7**, formerly Zee Sangam, was restaged as a National Hindi News Channel on October 24, 2015 with an aim to provide a mix of news and entertainment and to create a family viewing experience. The channel immediately entered the viewers' mind space and reached more than 97 million viewers during the last quarter. In line with the government's Clean Ganga mission, the channel created a platform "Amrit Dhara Ganga" to gain insights on issues surrounding the river and to honour those who have contributed towards its betterment.

**Zee Punjab Haryana Himachal**, erstwhile Zee Punjabi, established No. 1 position in the region through its fearless reporting. The channel used music as a means to create awareness on various issues in the region, such as "Shimla@200" in Shimla (environmental awareness) and "Musical Night" at Jalandhar (against drug abuse). Keeping up with its tradition of promoting dialogue between citizens and legislature, the channel commissioned a monthly series "Sarkar Se Samwaad" across Punjab and Haryana. To analyze the performance of current Government of Haryana during first year of service, the channel organized an open forum "Bemisaal Haryana" with Chief Minister Manohar Lal Khattar and key cabinet ministers.

**Zee Madhya Pradesh Chhattisgarh**, which was launched on March 31, 2013, has made deep inroads into the region and has established No. 1 position through strong local coverage and also earned "Ramnath Goenka Excellence in Journalism Award 2014 for Investigative Reporting - Broadcast". The channel, along with Chhattisgarh government, set a plantation target of 100 million in one year through "Paudhe Lagao Selfie Banao" initiative. The channel remained committed to the tradition of saluting heroes in the Indian Army from Madhya Pradesh through "Ananya Samman" initiative. To promote a dialogue between government and citizens, the channel organized several "State Summits" on diverse topics, such as Agriculture, Skill Development, Information Technology,

and 15 years of Chhattisgarh. Continuing with the tradition of promoting states' singing talent, the channel organized "Aawaz of Madhya Pradesh" and "Aawaz of Chhattisgarh". Continuing with the network's commitment to recognize women's role in society, the channel organized "Women Achiever Awards" to honour their contributions in various fields.

**Zee Rajasthan News**, formerly **Zee Marudhara**, your network's offering for viewers across Rajasthan, was renamed to establish it exclusively as a news channel. The channel continued to touch the heart of the region and established No. 1 position. Continuing with the network's commitment to recognize the sacrifices made by soldiers of the state, the channel honoured the war widows through "Hai Naman Unko". The channel recognized the outstanding work done by citizens across different fields through "Health Living Awards," "Hospitality and Food Awards," and "Police Awards".

**Zee Kalinga News**, formerly **Zee Kalinga**, your Network's offering for Odisha market, was renamed to establish it exclusively as a news channel. Promoting a discussion on growth of India after 68 years of independence and areas where we failed to achieve true Independence, the channel organized a forum titled "Bhul Rahila Keunthi". The channel spread the message of preventive healthcare through a "Walkathon" on the occasion of World Heart Day.

**Zee Purvaiya**, formerly **Maurya TV**, your Network's offering for Bihar and Jharkhand, was rebranded post acquisition of 100% stake in Maurya TV Private Limited. With a view to help improve the situation of education in Bihar, the channel provided a forum "Education Summit 2016" for government to interact with educators and student community.

**DNA**, your network's English newspaper for Mumbai, celebrated its 10th anniversary with a power packed special edition. The newspaper continued to unearth the most important stories in city and received the "Ramnath Goenka Excellence in Journalism Award 2014 for Investigative Reporting - Print". The daily launched the 1st edition of "DNA Smart Solutions," a series of workshops where stalwarts from different industries provide career counselling sessions to young aspirants. Continuing with its commitment to promote eco-friendly festivities, the paper extended its "Eco Ganesha" movement into 6<sup>th</sup> year. The paper reinvigorated college-level quizzing in Mumbai through "Quiz Wiz," an undergraduate level inter-college competition, which received participation from more than 60 colleges. After optimizing the paper's two non-performing editions in FY15, your company plans to launch new editions across multiple cities in FY17.

**Zeenews.com** registered a year on year increase of 37.3% in visits, 37.9% in unique visitors, and 24% in page views. The website attracted over 160 million unique visitors, 395 million visits with 753 million page views in FY16 compared to 116 million unique visitors, 287 million visits with 607 million page views in the previous year. The regional arms of the

website put up a phenomenal performance with visitors on Hindi, Bengali and Marathi websites growing by 98%, 95% and 26% respectively.

**dnaindia.com** registered a year on year increase of 50.1% in visits, 49.3% in unique visitors, and 62.6% in page views. The website attracted over 102 million unique visitors, 173 million visits with 258 million page views in FY16 compared to 68 million unique visitors and 115 million visits with 159 million page views in the previous year.

Your company launched **5 news apps** (Zee News – Hindi, Zee News – English, 24 Taas, 24 Ghanta, and DNA) since December 2015 on Android and iOS platforms and the total installs crossed 1 million mark within six months.

### Business Strategy

During the year under review, your company focused on consolidation of its viewership and revenues. Through engaging content and focus on local coverage, efforts were made to increase the viewership across channels, which led to the emergence of Zee Madhya Pradesh Chhattisgarh, Zee Punjab Haryana Himachal, and Zee Rajasthan News as the No. 1 channels in their respective markets.

Equipped with detailed BARC ratings and on-ground research by the leadership, content was tailored to suit the demands of viewers. The network set itself apart from the commoditized content ecosystem through path breaking content propositions, which are finding expression in the channels' evolved programming.

Moreover, the network has been diversifying its revenue risk through experiments and innovations in form and content. Consequently, the new-age advertisers are finding immense value in partnering with us for pushing their communication through our differentiated media vehicles.

Being the pioneer network in media industry, the network is at the forefront of using cutting-edge technology to drive down costs, while improving the quality. As a process driven entity, the network have been successful in optimizing costs which reflects in the improved EBITDA margins.

To establish connection with the new age consumer who prefers consumption of news anytime and anywhere, your company plans to consolidate its offerings across all platforms – TV, Newspaper, Mobiles, Laptops, Tablets – and across multiple languages to become a one-stop shop for all news. The recently launched Malayalam news website (Zeenews.com/Malayalam), business news platform (Zeebiz.com), and 5 new apps (Zee News Hindi, Zee News English, 24 Taas, 24 Ghanta, and DNA) point towards your company's increasing efforts to target audiences on web/mobile platforms.

The release of rural markets data by BARC revealed limited access to Zee News to viewers in these markets. Therefore, on

viewer demand, your company decided to migrate the channel from Pay to Free to Air. The impact in subscription revenues will be offset by reduction in carriage fees and increase in advertisement revenues on the back of increased penetration and strong content.

After majorly focusing on consolidating its position in FY16, your company seeks to move into an expansion mode in FY17 with increase in portfolio, improvement in access across platforms, and through adoption of innovative revenue streams. The network will soon launch its global news platform Wionews.com on web, which will be followed by the launch of an English language global news channel, WION, which will provide news to the world from a South Asian perspective. Utilizing the synergies in the English news space, your company will expand the footprint of its English daily, DNA, to multiple cities.

The planned acquisition of Today Merchandise Private Limited (TMPL) and Today Retail Network Private Limited (TRNL) is a step in the direction of diversification. TV Shopping, with its promising potential, holds great investment value to the Company. The readymade infrastructure for TV Shopping channel and a complementing website, along with the network's existing broadcast operations, will help derive the synergy benefits.

### Internal Control Systems

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of businesses to ensure timely decision-making. It has an internal audit team with professionally qualified financial personnel, which conducts periodic audits of all businesses to maintain a proper system of checks and control.

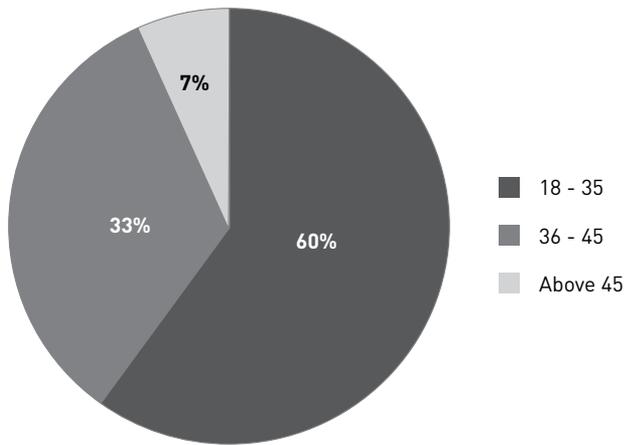
The management information system (MIS) forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled. Any material change in the business outlook is reported to the Board. Material deviations from the annual planning and budgeting, if any, are reported to the Board on quarterly basis. An effective budgetary control on all capital expenditure ensures that actual spending is in line with the Capital Budget.

### Human Resources

The Company respects and values the diverse qualities and backgrounds that its people bring to it and is committed to utilizing the richness of knowledge, ideas and experience that this diversity provides. The work environment is stimulating and development of core competencies through formal training, job rotation and hands on training is an ongoing activity. The Company's Employee strength as on March 31, 2016 was 1,450 in comparison to 1,750 as on March 31, 2015. Decrease in Employee strength was due to internal transfers and to bring

in operational efficiencies through the use of technology. Out of the total employee strength, about 60% is below the age of 35 years representing strong connect with the ethos of the youth.

### Age-wise distribution



#### Risk Factors:

##### **The Company operates in a highly competitive industry:**

With more and more players entering the News Broadcasting industry, competition is ever increasing. Moreover, technological changes have spawned new distribution platforms inviting competition from newer players. The introduction of alternative rating system by BARC, which includes rural population and larger sample size, has changed the viewership benchmarking in the industry which might affect company's competitive standing. To maintain its competitive edge in such a scenario, the Company will need to anticipate viewer preferences to create, acquire, commission, and produce compelling content across platforms favoured by the consumers.

##### **The Company operates in a highly regulated industry and any new regulations will lead to substantial effect on the business model:**

The regimes that affect your Company's business include broadcasting, cable, advertisement, telecommunications, intellectual property, consumer and competition (anti-trust) laws and regulations. Changes in regulations relating to the industry or a related industry could have an adverse effect on the Company's business and results of operation. TRAI has mandated 10+2 inventory norms (10 minutes of advertisement and 2 minutes of internal promotions in an hour) for the television industry. The implementation is currently on hold in the News segment as the News Broadcasters Association (of which your company is a member) has challenged the norms and the matter is currently under the consideration of Hon'ble Delhi High Court. If implemented, there is likely to be a reduction of advertising revenues as company's efforts for rate increase to compensate for lower inventory may not be accepted by the clients.

##### **The Company's new launches and diversification initiatives might take longer than expected to break even:**

The Company may from time to time launch new channels / newspapers to further enhance its presence in the news genre market. The success of any new channel depends on various factors, including the quality of content, price, extent of marketing, competition etc. There can be no assurance that the Company will be as successful in launching new channels / newspapers as it has been the case of its existing channels. The Company is venturing into new businesses to diversify its revenues and may not be able to achieve as much success as in the case of existing businesses.

##### **Primary source of revenue is advertisements and subscriptions by viewers, which may decline due to a variety of factors:**

The implementation of Digital Access System (DAS) has not provided expected benefits and has not met the deadlines, which could result in a loss of viewership and hence of advertising and subscription revenues. If the Company's programming is unable to sustain high levels of viewership rating, the consequent decline in advertising revenues will manifest itself as a significant dip in aggregate revenues.

##### **The Company relies on skilled manpower and may not be able to hire or retain important personnel:**

The company operates in a manpower intensive industry and may be adversely affected if it loses the services of any of its senior management and other skilled personnel and fails to find equally skilled replacements. Moreover, the chief editors and news presenters / anchors of the Company have developed significant reputation and viewer following. The Company's inability to retain them may affect the viewership of its channels.

##### **The Company relies on intellectual property and proprietary rights which may not be adequately protected under current laws:**

The Company relies on trademark, copyright and other intellectual property laws to establish and protect its rights in these products. There can be no assurance that the Company's rights will not be challenged, invalidated or circumvented or that the Company will successfully renew its rights or licenses.

##### **The business involves risks of liability for news content and related risks, which could result in significant costs:**

The Company relies on editors, reporters and freelance journalists/ stringers as well as news wires and agencies for news and other content for the news channels and newspaper of the Company. While we have established systems and protocols to ensure authenticity of reports, any failure by them to follow these systems and protocols may lead to the broadcasting, posting or publishing of defamatory content or result in inaccurate reporting thereby exposing us and our employees to litigation for libel or defamation charges.

## Financials and Financial Position

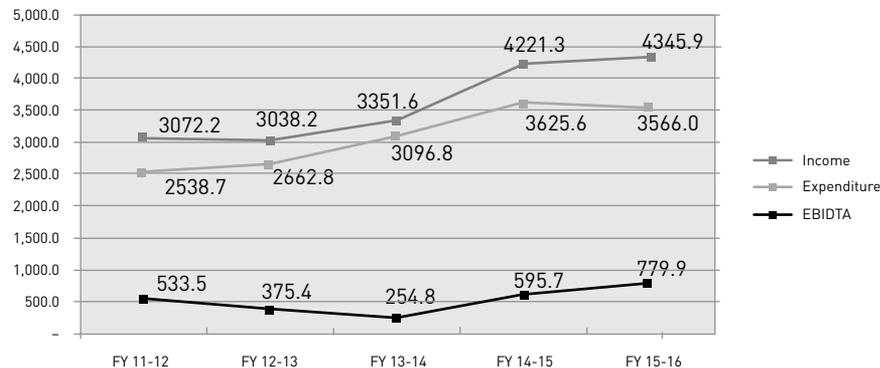
Standalone and Consolidated Financials as on March 31, 2016:

The table below presents Standalone and Consolidated Financials for the Current and Previous Financial Years.

Profit and Loss account for the year ended	Standalone		Consolidated	
	2016	2015	2016	2015
<b>Revenues</b>				
Revenue from Operations	3,836.09	3,802.26	5,429.16	5,443.33
Other Income	109.76	114.85	175.61	94.42
<b>Total Revenues</b>	<b>3,945.85</b>	<b>3,917.11</b>	<b>5,604.77</b>	<b>5,537.75</b>
<b>Expenses</b>				
Cost of Raw Material consumed	-	-	438.09	525.67
(Increase) / Decrease in Inventories	-	-	(0.05)	-
Operational cost	752.23	920.42	890.69	1,053.30
Employee Benefits Expense	1,089.33	1,112.85	1,473.55	1,606.58
Other expenses	1,418.65	1,362.08	1,849.03	1,876.12
<b>Total Expenses</b>	<b>3,260.21</b>	<b>3,395.35</b>	<b>4,651.31</b>	<b>5,061.67</b>
<b>Operating Profit</b>	<b>685.64</b>	<b>521.76</b>	<b>953.45</b>	<b>476.08</b>
Finance costs	118.86	131.32	441.54	526.28
Depreciation and amortisation expense	283.27	285.65	483.24	504.86
<b>Profit before exceptional items and tax</b>	<b>283.51</b>	<b>104.79</b>	<b>28.68</b>	<b>(555.06)</b>
Less : Exceptional Items	-	-	61.51	-
<b>Profit before tax</b>	<b>283.51</b>	<b>104.79</b>	<b>(32.83)</b>	<b>(555.06)</b>
Less: Tax expense	96.06	43.14	(2.53)	(123.54)
Profit after tax before minority interest	187.45	61.65	(30.30)	(431.52)
Less : Minority interest	-	-	38.89	34.99
<b>Profit after tax</b>	<b>187.45</b>	<b>61.65</b>	<b>(69.19)</b>	<b>(466.51)</b>

Balance Sheet as at	Standalone		Consolidated	
	2016	2015	2016	2015
<b>Equity and Liabilities</b>				
<b>Shareholders' Funds</b>				
Share Capital	470.79	362.15	470.79	362.15
Reserves and Surplus	5,595.52	3,676.78	4,907.47	3,245.37
	<b>6,066.31</b>	<b>4,038.93</b>	<b>5,378.26</b>	<b>3,607.52</b>
Share Application Money Pending Rights Issue	-	1.19	-	1.19
<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>141.99</b>	<b>103.10</b>
<b>Non-Current Liabilities</b>				
Long-Term Borrowings	644.20	733.69	3,144.27	2,759.79
Other Long-Term Liabilities	12.76	9.77	250.23	30.21
Long-Term Provisions	141.42	133.36	177.59	160.96
	<b>798.38</b>	<b>876.82</b>	<b>3,572.09</b>	<b>2,950.96</b>
<b>Current Liabilities</b>				
Short-Term Borrowings	371.10	520.73	371.10	1,631.70
Trade Payables	222.47	155.41	393.61	337.78
Other Current Liabilities	726.66	670.20	1,080.59	1,286.15
Short-Term Provisions	132.09	12.77	135.41	24.32
	<b>1,452.32</b>	<b>1,359.11</b>	<b>1,980.71</b>	<b>3,279.95</b>
<b>Total</b>	<b>8,317.01</b>	<b>6,276.05</b>	<b>11,073.05</b>	<b>9,942.72</b>
<b>Assets</b>				
<b>Non-Current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	942.62	996.81	4,050.35	4,482.24
Intangible Assets	25.21	60.25	1,780.40	1,813.57
Capital work-in-progress	118.49	18.35	120.08	38.74
Non-Current Investments	4,524.05	3,099.05	-	22.27
Deferred Tax Assets (net)	105.68	61.65	1,235.24	1,022.48
Long-Term Loans and Advances	588.79	332.43	668.99	418.87
Other Non-Current Assets	17.42	30.07	28.02	82.26
	<b>6,322.26</b>	<b>4,598.61</b>	<b>7,883.08</b>	<b>7,880.43</b>
<b>Current Assets</b>				
Inventories	0.46	0.60	66.24	49.58
Trade Receivables	891.68	850.37	1,177.43	1,142.77
Cash and Bank Balances	562.26	294.11	847.49	399.27
Short-Term Loans and Advances	537.26	522.96	1,082.45	453.95
Other Current Assets	3.09	9.40	16.36	16.72
	<b>1,994.75</b>	<b>1,677.44</b>	<b>3,189.97</b>	<b>2,062.29</b>
<b>Total</b>	<b>8,317.01</b>	<b>6,276.05</b>	<b>11,073.05</b>	<b>9,942.72</b>

## Operational Trend TV Business



### A. Results of Operations

We are pleased to present the detailed analysis of Consolidated Financials of the Company for the year ended March 31, 2016 vis-à-vis March 31, 2015.

The consolidated operations of the Company comprise of TV Broadcasting business and Print business.

TV Business consists of three national and seven regional news channels, including 24 Ghanta housed in Zee Akaash News Private Limited (extent of holding 60%), and "Zee Purvaiya" held through Maurya TV Private Limited (a 100% subsidiary).

Print business is made up of Diligent Media Corporation Limited (a 99.99% step down subsidiary), held through Mediavest India Private Limited (100% subsidiary) and Pri-Media Services Private Limited (100% subsidiary). Diligent Media Corporation Limited is engaged in publishing and distribution of an English Daily 'DNA', while Pri-Media Services Private Limited is in the business of printing newspapers and other publishing activities on job work basis.

The Consolidated Financial Statements have been prepared after knocking off the effect of common services among the Companies.

The Rights Issue of the Company, pursuant to the Letter of Offer dated March 16, 2015, was opened on March 25, 2015 and closed on April 8, 2015. The said Rights Issue was fully subscribed for an amount aggregating to ₹ 1,955.59 million, and on April 18, 2015 the Company allotted 108,643,732 Equity Shares of ₹ 1 each, fully paid up, at a price of ₹ 18 per share (including premium of ₹ 17 per share), resulting in increase in Paid-up Share Capital of the Company to ₹ 470,789,505 comprising of 470,789,505 Equity Shares of ₹ 1 each.

#### Revenue from Operations

Revenue from TV Broadcasting business operations includes Advertisement Income, Subscription Income and Sale of Programs.

The previous year had been a very News-centric year, riding on various events of national importance, such as National General Elections and World Cup Cricket Tournament, giving a whopping push to the advertisement revenues during FY15. Comparatively, FY16 had been a muted year insofar as the major events are concerned, accordingly growth in revenues has been muted. Overall, the News genre had remained flat during the year, in spite of which your company has posted an increase of ₹ 194.4 million in advertising revenues from TV Broadcasting business whereas the subscription revenues have reduced marginally.

Revenue from Print Business Operations primarily includes Advertisement Income, revenue from printing job work, and sale of newspapers. Revenue number of FY16 is not comparable to previous periods due to closure of Bangalore and Pune editions with effect from September 2014.

#### Other Income

The proceeds of Rights Issue aggregating to ₹ 1,955.59 million, as explained above, were received at the beginning of the financial year. Part of the proceeds have been utilized for the stated purposes as per Letter of Offer and the balance amount, pending utilization, have been temporarily deployed in fixed deposits and thus Other Income has drastically increased by ₹ 81.19 million or 86% due to the increase in interest income.

#### Cost of Raw Material consumed

Reduction in this cost of approximately 17% is due to curtailment in the number of editions, as explained above.

#### Operational Cost

Main drivers for reduction in Operational Cost have been saving in programming expenses, as the newly launched regional channels namely Zee Rajasthan News (formerly Zee Marudhara), Zee Kalinga News (formerly Zee Kalinga) and Zee Purvaiya (earlier known as Maurya TV) were launched in Terrestrial Entertainment Network (TEN) content architecture (having mix of Regional Entertainment content and News

content), which has a higher cost, and have been later transformed into a full-fledged news channel. Hence the comparison of Total Cost with previous year figures is not plausible.

### Employee Benefits Expense

Personnel cost has reduced by 8.3% or by ₹ 133.04 million from ₹ 1,606.58 million in FY15 to ₹ 1,473.54 million in FY16. The reduction is attributable to cost synergies internally in the TV Broadcasting business, as well as operational synergies in TV and Print businesses with Digital initiatives of the Group.

### Finance cost

Finance cost has reduced by more than 16% due to reduction of loans, which have been repaid as per objects of the Rights Issue. Further, the effective interest rate has reduced in the Print Business through the issue of unlisted, rated, redeemable non-convertible debentures (NCDs).

### Depreciation

Depreciation has reduced by approximately 4% due to sale of certain plant and machinery of one of the subsidiaries of the Company in Print business. Apart from that, since there has been no major capital expenditure during the year, depreciation has remained flat.

### Other Expenses

Other expenses which include all Administrative, Selling and Distribution expenses, have reduced by 1% or ₹ 27.09 million from ₹ 1,876.12 million in FY15 to ₹ 1,849.03 million in FY16. This reduction, in spite of a general inflation in costs, has been driven primarily by the reduction in Distribution costs.

### Exceptional Items

The exceptional item of ₹ 61.51 million during the year ended March 31, 2016 represents loss on sale of certain plant and machinery of one of the subsidiaries of the Company, located at Bengaluru. The said machinery was sold since it had become redundant.

Tax Expense is in line with the rates of taxes as per relevant provisions of Income Tax Act.

## B. Financial Position

### Equity & Liabilities

#### Share Capital

Pursuant to the Rights Issue as per Letter of Offer dated March 16, 2015, the Company had on April 18, 2015 allotted 108,643,732 Equity Shares of ₹ 1 each, fully paid up, at a price of ₹ 18 per share (including premium of ₹ 17 per share), resulting in increase in Paid-up Share Capital of the Company to ₹ 470,789,505 comprising of 470,789,505 Equity Shares of ₹ 1 each.

### Reserves & Surplus

As detailed above, the premium of ₹ 17 per share on allotment of Rights Issue shares has resulted in a net increase of ₹ 1,816.29 million in Reserves & Surplus. Further, current year losses and proposed dividend have reduced the reserves by ₹ 154.19 million, thereby limiting the net increase in reserves to ₹ 1,662.10 million, making the Reserves & Surplus balance to ₹ 4,907.47 million in FY16 from ₹ 3,245.37 million in FY15.

### Borrowings

On consolidated level, borrowings (long-term and short-term, including current maturities of long-term borrowings) have reduced by ₹ 981.73 million, to the levels of ₹ 3,621.07 million in FY16 from the levels of ₹ 4,602.80 million in FY15. The said amount has been repaid from proceeds of Rights Issue, which is as per terms of the objects of issue.

### Other Long-Term Liabilities

Other Long-Term Liabilities have increased by ₹ 220.02 million, to by ₹ 250.23 million in FY16 against by ₹ 30.21 million in FY15. The sharp increase is on account of addition of Premium payable on redemption of debentures in one of the subsidiaries engaged in Print business.

### Provisions

Provisions, both long-term and short-term, have increased to an aggregate of ₹ 313.00 million in FY16 as against ₹ 185.28 million in FY15. The increase of ₹ 127.72 million is primarily driven by provision for proposed dividend (including tax) of ₹ 85.00 million, besides other increase in provision for employee benefits and taxation.

### Current Liabilities

Current Liabilities such as Trade Payables and Other Current Liabilities (apart from Current maturities of long-term borrowings) have decline marginally by ₹ 44.12 million, from ₹ 1,412.61 million in FY15 to ₹ 1,368.49 million in FY16.

### Assets

#### Non-Current Assets

##### Fixed Assets

Gross block of fixed assets has reduced from ₹ 7,842.85 million in FY15 to ₹ 7,712.94 million in FY16, the major decrease has been on account of sale of certain plant and machinery of one of the subsidiaries of the Company, located at Bengaluru. The net block has reduced from ₹ 6,295.82 million in FY15 to ₹ 5,830.75 million in FY16, which is primarily on account of depreciation during the year.

Capital work-in-progress has increased to ₹ 120.08 million in FY16, from ₹ 38.74 million in FY15, pending capitalization for WION.

**Non-Current Investments**

Non-Current Investments, the balance of which was ₹ 22.27 million in FY15, have been entirely liquidated during the year.

**Deferred Tax Assets (net)**

Deferred Tax Assets (net) balances have increased to ₹ 1,235.24 million in FY16 from ₹ 1,022.48 million in FY15, an increase of ₹ 212.76 million.

**Long-Term Loans and Advances**

Long-Term Loans and Advances have increased by ₹ 250.12 million, to ₹ 668.99 million in FY16 from ₹ 418.87 million in FY15, mainly because of capital advances given to vendors for purchase of equipment for Company's new ventures.

**Other Non-Current Assets**

Other Non-Current Assets have reduced by ₹ 54.23 million, from ₹ 82.26 million in FY15 to ₹ 28.02 million in FY16.

**Current Assets****Inventories**

Inventories, comprising of Raw stock – tapes in TV Broadcasting

business and Newsprint, Ink, Plates, Scrap & Waste Papers and Consumables, stores and spares for Print business, have increased by ₹ 16.66 million. The increase is primarily in inventories of Newsprint, which has been kept at higher levels to take the benefit of economies of scale.

**Trade Receivables**

Trade Receivables have increased marginally by ₹ 34.66 million, and the average collection period remained in line with previous year.

**Cash and Bank Balances**

Cash and Bank Balances have grown significantly by ₹ 448.22 million, from ₹ 399.27 million in FY15 to ₹ 847.49 million in FY16. The steep increase is primarily due to unutilized proceeds of Rights Issue, temporarily deployed in deposits with bank, as well as current account balances.

**Short-Term Loans and Advances**

Loans & Advances stood at ₹ 1,082.45 million as on March 31, 2016 as against ₹ 453.95 million as on March 31, 2015. The increase of ₹ 628.50 million is due to surplus funds temporarily deployed in loans given as ICDs.

# CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Rajendra Kumar Arora, Executive Director & CEO and Dinesh Garg, Chief Financial Officer of Zee Media Corporation Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2016 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to taken to rectify these deficiencies.
- d) During the year:
  - i) there has not been any significant change in internal control over financial reporting;
  - ii) there have not been any significant changes in accounting policies; and
  - iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

**Rajendra Kumar Arora**  
Executive Director & CEO  
Mumbai, May 24, 2016

**Dinesh Garg**  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Zee Media Corporation Limited**

## 1. Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Zee Media Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 26 to the standalone financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Place: Mumbai,

Date: 24 May 2016

## Annexure - A to the Independent Auditor's Report

Annexure referred to in Paragraph 5(i) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **Zee Media Corporation Limited** on the standalone financial statements for the year ended 31 March 2016, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets, except Integrated Receiver Decoders (IRD) lying with the third parties have been physically verified by the management during the year. In our opinion, the periodicity of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has been physically verified by the Management at reasonable intervals during the year. No discrepancies have been noticed on physical verification of inventory as compared to book records.
- iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, and limited liability partnership or other parties covered in the register maintained under Section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans/guarantees given and investments made.
- v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi) In our opinion and according to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.
- vii) According to the records of the Company, examined by us and information and explanations given to us:

- (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2016 for a period of more than six months from the date they became payable except income tax demand of Rs/million 0.23 for F.Y.2009-10 for which rectification application is filed.
- (b) There are no dues of sales tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute. The disputed dues of income tax and service tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount (₹ / million)	Period to which the amount relate	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	6.68	F.Y. 2006-2007	Commissioner of Income Tax (Appeals)
		0.86	F.Y. 2011-2012	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Service Tax and penalty	142.63 #	FY 2007-2008 to 2011-2012	Central Excise and Service Tax Appellant Tribunal

# Interest and penalty to the extent quantified.

- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions. The Company does not have any loans from Government and has not issued any debentures during the year.
- ix) In our opinion and according to the information and explanations given to us, the Company has raised money by way of Rights Issue and out of total proceeds of Rs/ million 1955.59, Rs/ million 1480.61 has been applied for the purposes for which money was raised and balance Rs/ million 474.98 are temporarily deployed in fixed deposits and current accounts with banks. The Company has not

raised money by way of debt instruments. The moneys raised by way of term loans have been applied for the purposes for which they were raised.

- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi) According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act and details of such transactions have been disclosed in the financial

statements as required by the applicable accounting standards.

- xiv) According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Place: Mumbai,

Date: 24 May 2016

## **Annexure - B to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Zee Media Corporation Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note issued by the ICAI.

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Place: Mumbai,

Date: 24 May 2016

# BALANCE SHEET

as at 31 March

₹ million

	Note	2016	2015
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	470.79	362.15
Reserves and Surplus	4	5,595.52	3,676.78
		<b>6,066.31</b>	<b>4,038.93</b>
<b>Share Application Money Pending Allotment</b>		<b>-</b>	<b>1.19</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	644.20	733.69
Other Long-Term Liabilities	6	12.76	9.77
Long-Term Provisions	7	141.42	133.36
		<b>798.38</b>	<b>876.82</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	371.10	520.73
Trade Payables	9	222.47	155.41
Other Current Liabilities	9	726.66	670.20
Short-Term Provisions	7	132.09	12.77
		<b>1,452.32</b>	<b>1,359.11</b>
<b>Total</b>		<b>8,317.01</b>	<b>6,276.05</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		942.62	996.81
Intangible Assets		25.21	60.25
Capital work-in-progress		118.49	18.35
		<b>1,086.32</b>	<b>1,075.41</b>
Non-Current Investments	11	4,524.05	3,099.05
Deferred Tax Assets (net)	12	105.68	61.65
Long-Term Loans and Advances	13	588.79	332.43
Other Non-Current Assets	14	17.42	30.07
		<b>6,322.26</b>	<b>4,598.61</b>
<b>Current Assets</b>			
Inventories	15	0.46	0.60
Trade Receivables	16	891.68	850.37
Cash and Bank Balances	17	562.26	294.11
Short-Term Loans and Advances	13	537.26	522.96
Other Current Assets	14	3.09	9.40
		<b>1,994.75</b>	<b>1,677.44</b>
<b>Total</b>		<b>8,317.01</b>	<b>6,276.05</b>
Notes forming part of the financial statements	1 - 47		

As per our attached report of even date

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership No. 107832

Mumbai, 24 May 2016

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

**Dinesh Garg**

Chief Financial Officer

**Rajendra Kumar Arora**

Executive Director and CEO

**Pushpal Sanghavi**

Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March

		₹ million	
	Note	2016	2015
<b>Revenue</b>			
Revenue from Operations	18	3,836.09	3,802.26
Other Income	19	109.76	114.85
	<b>Total</b>	<b>3,945.85</b>	<b>3,917.11</b>
<b>Expenses</b>			
Operational Cost	20	752.23	920.42
Employee Benefits Expense	21	1,089.33	1,112.85
Finance Costs	22	118.86	131.32
Depreciation and Amortisation Expense	23	283.27	285.65
Other Expenses	24	1,418.65	1,362.08
	<b>Total</b>	<b>3,662.34</b>	<b>3,812.32</b>
<b>Profit before tax</b>		<b>283.51</b>	<b>104.79</b>
<b>Less: Tax expense</b>			
Current Tax			
- Current year		144.63	46.68
- Earlier years		(4.54)	(17.62)
Deferred Tax		(44.03)	14.08
<b>Profit after tax</b>		<b>187.45</b>	<b>61.65</b>
<b>Basic and Diluted Earnings per equity share (face value ₹ 1 each) (₹)</b>	46	0.40	0.17
Notes forming part of the financial statements	1 - 47		

As per our attached report of even date

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership No. 107832

Mumbai, 24 May 2016

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

**Dinesh Garg**

Chief Financial Officer

**Rajendra Kumar Arora**

Executive Director and CEO

**Pushpal Sanghavi**

Company Secretary

# CASH FLOW STATEMENT

for the year ended 31 March

₹ million

	2016	2015
<b>A. Cash flow from Operating activities</b>		
Profit before tax	283.51	104.79
Adjustments for:		
Depreciation and amortisation expense	283.27	285.65
Loss on sale/discard of fixed assets (net)	15.21	16.39
Interest expense	112.04	130.63
Interest income	(99.90)	(48.90)
Dividend income from subsidiary	-	(60.00)
Liabilities / excess provisions written back	(5.98)	(4.19)
Provision for doubtful debts and advances	(1.42)	(6.63)
Unrealised foreign exchange loss (net)	4.76	9.27
Operating profit before working capital changes	591.49	427.01
Adjustments for:		
(Increase)/decrease in inventories	0.14	0.82
(Increase)/decrease in trade and other receivables	(75.58)	(18.90)
Increase/(decrease) in trade and other payables	104.80	30.28
<b>Cash generated from Operations</b>	<b>620.85</b>	<b>439.21</b>
Direct taxes paid (net)	(124.08)	(135.49)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>496.77</b>	<b>303.72</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including capital advances (given) / refunded	(567.37)	68.88
Sale of fixed assets	7.24	2.84
Loan given to subsidiary	(150.00)	(316.80)
Loan repaid by subsidiary	496.48	-
Loan given to others	(300.00)	(50.00)
Loan repaid by others	-	50.00
Investment in / acquisition of subsidiary	-	(38.91)
Investment in debentures of subsidiary	(1,425.00)	-
Deposits with banks (net)	(11.97)	(0.03)
Interest received	96.68	34.88
Dividend received from subsidiary	-	60.00
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,853.94)</b>	<b>(189.14)</b>

# CASH FLOW STATEMENT

for the year ended 31 March

		₹ million	
		2016	2015
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from Rights Issue	1,955.59	-
	Rights Issue expenses	(5.47)	(25.19)
	Proceeds from long-term borrowings	-	125.75
	Repayment of long-term borrowings	(72.00)	-
	Proceeds from short-term working capital loan	-	200.00
	Repayment of short-term working capital loan	(200.00)	-
	Increase / (decrease) in cash credit facilities (net)	50.37	(111.13)
	Proceeds from vehicle loans	19.63	8.04
	Repayment of vehicle loans	(8.30)	(6.11)
	Interest paid	(112.98)	(128.20)
	<b>Net cash flow from/(used in) Financing activities (C)</b>	<b>1,626.84</b>	<b>63.16</b>
	<b>Net cash flow / (outflow) during the year (A+B+C)</b>	<b>269.67</b>	<b>177.74</b>
	Cash and cash equivalents at the beginning of the year	292.24	114.26
	Add: Cash and cash equivalents received under Scheme of Amalgamation	-	0.24
	<b>Cash and cash equivalents at the end of the year (Refer Note 17)</b>	<b>561.91</b>	<b>292.24</b>
	Add: Balances earmarked	0.35	1.87
	<b>Cash and bank balances at the end of the year</b>	<b>562.26</b>	<b>294.11</b>

Note:

- Cash and cash equivalents at the end of the year includes fixed deposit of ₹ 450.00 million (Nil) and balance in current account of ₹ 24.98 million (Nil) being unutilised proceeds of Rights Issue.
- Previous year's figures are regrouped, rearranged or recast, wherever considered necessary to conform to current year's classification.

As per our attached report of even date

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership No. 107832

Mumbai, 24 May 2016

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

**Dinesh Garg**

Chief Financial Officer

**Rajendra Kumar Arora**

Executive Director and CEO

**Pushpal Sanghavi**

Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1 Corporate Information

Zee Media Corporation Limited ("ZMCL" or "the Company") is incorporated in the State of Maharashtra, India. The Company is mainly in the business of broadcasting of news / current affairs and regional language channels and sale of television programs including program feeds.

## 2 Significant Accounting Policies

### A Basis of preparation

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

### B Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, on the date of the financial statements and the reported amount of revenue and expenses of the year. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

### C Tangible fixed assets

- a) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.
- b) Capital work in progress comprises cost of fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

### D Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets - channels includes expenses incurred on development of new television channels till the time it is ready for commercial launch.

### E Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur.

### F Impairment of tangible and intangible assets

At each Balance Sheet date, the Company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### G Depreciation / Amortization on tangible / intangible assets

#### Tangible assets

Depreciable amount for tangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets is provided on straight line method as per the useful life prescribed in

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Assets	Management's Estimate of Useful Life
Plant and Machinery (Studio equipments – Linear)	10 Years
Plant and Machinery (Studio equipments – Non-Linear)	5 Years
Plant and Machinery (IRD Boxes)	1 Year
Leasehold Improvements	Over the period of lease

## Intangible assets

Intangible assets are amortised on straight line basis over their respective individual useful life estimated by the management.

## H Investments

- a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- b) Current investments are stated at lower of cost and market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.

## I Transactions in foreign currencies

- a) Foreign currency transactions are accounted at the exchange rates prevailing on the date of such transactions.
- b) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.
- c) Non-monetary foreign currency items are carried at cost.

## J Revenue recognition

- a) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognized on time basis on the provision of television broadcasting service to subscribers or as per the agreed terms.
- b) Sales (including television programs) are recognized when the significant risks and rewards have been transferred to the customers.
- c) Revenue from other services is recognized as and when such services are completed / performed.
- d) Dividend income is recognized when the Company's right to receive dividend is established.
- e) Interest income is recognized on a time proportion basis taking into account amount outstanding and the applicable interest rate.

## K Inventories

- a) Television programs (completed, under production, available for sale) are stated at lower of cost/ unamortized cost or net realizable value. Cost comprises acquisition / direct production costs and other allocated production overheads. Where the realizable value on the basis of its estimated useful life is less than its carrying amount, the difference is expensed as impairment. Programs are expensed / amortized as under:
  - i) Programs- news / current affairs / chat shows / events etc are fully expensed on telecast.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii) Programs (other than (i) above) are amortized over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.

b) Raw Stock – Tapes are valued at lower of cost or estimated net realizable value. Cost is taken on weighted average basis.

### **L Retirement and other employee benefits**

a) Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders the service.

b) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.

c) Payment to defined contribution retirement benefit schemes are recognised as an expense in the Statement of Profit and Loss, when due.

### **M Accounting for taxes on income**

a) Current tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the Income Tax Act, 1961.

b) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.

### **N Leases**

#### **a) Finance lease**

Assets acquired under Finance Lease are capitalized and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognized with the asset under lease.

#### **b) Operating lease**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

### **O Earnings per share**

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

### **P Provisions, Contingent liabilities and Contingent assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are revised at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>3</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	1,700,000,000 (1,700,000,000) Equity Shares of ₹ 1 each	1,700.00	1,700.00
		1,700.00	1,700.00
	<b>Issued, Subscribed and Paid up</b>		
	470,789,505 (362,145,773) Equity Shares of ₹ 1 each fully paid up	470.79	362.15
	<b>Total</b>	<b>470.79</b>	<b>362.15</b>

### a) Reconciliation of number of Equity shares and Share capital

	2016		2015	
	Number of equity shares	₹ million	Number of equity shares	₹ million
At the beginning of the year	362,145,773	362.15	239,763,956	239.76
Add: Issued pursuant to the Scheme of Amalgamation (Refer Note 45)	-	-	122,381,817	122.39
Add: Rights Issue during the year (Refer Note 32)	108,643,732	108.64	-	-
<b>Outstanding at the end of the year</b>	<b>470,789,505</b>	<b>470.79</b>	<b>362,145,773</b>	<b>362.15</b>

### b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of Shareholders holding more than 5 percent of the aggregate shares in the Company:

Name of Shareholder	2016		2015	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
25FPS Media Private Limited	166,268,323	35.32%	127,898,710	35.32%
Arm Infra and Utilities Limited	159,072,726	33.79%	122,363,636	33.79%

As per the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### d) The Company has not issued any bonus shares or bought back any shares during five years preceding 31 March, 2016. Details of aggregate number of shares issued for consideration other than cash during five years preceding 31 March, 2016:

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	2016	2015
Equity shares allotted as fully paid for consideration other than cash pursuant to the Scheme of Amalgamation	122,381,817	122,381,817

- e) The Company has instituted an Employee Stock Option Plan [ZNL ESOP 2009] as approved by the Board of Directors and Shareholders of the Company in 2009 and amended from time to time for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Company as at 31 March, 2009 i.e. up to 11,988,000 equity shares of ₹ 1 each, to the employees of the Company as well as that of its subsidiaries and also to the directors (excluding an independent director) of the Company at the market price determined as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The said Scheme is administered by the Nomination and Remuneration Committee of the Board. The Company has not granted any options till 31 March, 2016.

		₹ million	
		2016	2015
<b>4</b>	<b>Reserves and Surplus</b>		
	<b>Capital Reserve</b>		
	As per last Balance Sheet	1,768.41	96.79
	Add: Adjustment pursuant to the Scheme of Amalgamation (Refer Note 45)	-	1,671.62
		<b>1,768.41</b>	<b>1,768.41</b>
	<b>Securities Premium</b>		
	As per last Balance Sheet	76.50	76.50
	Add: On Equity Shares issued under the Rights Issue (Refer Note 32)	1,846.93	-
	Less: Rights Issue Expenses (Refer Note 32)	30.66	-
		<b>1,892.79</b>	<b>76.50</b>
	<b>General Reserve</b>		
	As per last Balance Sheet	<b>90.00</b>	<b>90.00</b>
	<b>Surplus in the Statement of Profit and Loss</b>		
	As per last Balance Sheet	1,741.87	1,716.38
	Less: Adjustment for depreciation as per transitional provisions	-	(54.78)
	Add: Deferred tax on depreciation as above	-	18.62
	Add: Profit for the year	187.45	61.65
	Less: Appropriations		
	Proposed dividend on Equity Shares	70.62	-
	Tax on dividend on Equity Shares	14.38	-
		<b>1,844.32</b>	<b>1,741.87</b>
	<b>Total</b>	<b>5,595.52</b>	<b>3,676.78</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ million

	Non- Current		Current	
	2016	2015	2016	2015
<b>5 Long-Term Borrowings - Secured</b>				
Term loan from bank (Refer (a) below)	632.00	728.00	96.00	72.00
Vehicle loans (Refer (b) below)				
- from banks	12.20	5.00	8.88	3.49
- from others	-	0.69	0.69	1.26
	<b>644.20</b>	<b>733.69</b>	<b>105.57</b>	<b>76.75</b>
Less: Amount disclosed under "Other Current Liabilities" (Refer Note 9)	-	-	105.57	76.75
<b>Total</b>	<b>644.20</b>	<b>733.69</b>	-	-

a) Term loan from bank ₹ 728.00 million (₹ 800.00 million) is secured by way of first hypothecation charge on entire movable fixed assets except vehicles. The loan carries interest @ 11.55 % p.a. payable monthly and is repayable in 21 quarterly installments commencing from October 2015.

b) Vehicle loans from banks and others are secured by way of hypothecation of vehicles, carries interest ranging from 8.90% to 12.25% p.a. and repayable upto November 2018.

₹ million

	2016	2015
<b>6 Other Long-Term Liabilities</b>		
Employee benefits payable	12.76	9.77
<b>Total</b>	<b>12.76</b>	<b>9.77</b>

₹ million

	Long-Term		Short-Term	
	2016	2015	2016	2015
<b>7 Provisions</b>				
Provision for employee benefits:				
- Gratuity	90.43	84.14	12.37	6.23
- Leave benefits	50.99	49.22	11.17	6.54
Others				
- Proposed dividend on Equity Shares including tax	-	-	85.00	-
- Provision for taxation (net of advances)	-	-	23.55	-
<b>Total</b>	<b>141.42</b>	<b>133.36</b>	<b>132.09</b>	<b>12.77</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>8</b>	<b>Short-Term Borrowings - Secured</b>		
	Cash credit from bank (Refer (a) below)	371.10	320.73
	Working capital loan from bank (Refer (b) below)	-	200.00
	<b>Total</b>	<b>371.10</b>	<b>520.73</b>

- a) Cash credit from bank is secured by way of pari passu hypothecation charge on entire current assets and collaterally secured by first hypothecation charge on entire movable fixed assets except vehicles.
- b) Working capital loan from bank is secured by way of pari passu hypothecation charge on entire current assets and entire movable fixed assets except vehicles.

		₹ million	
		2016	2015
<b>9</b>	<b>Current Liabilities</b>		
	<b>Trade Payables</b>	222.47	155.41
		<b>222.47</b>	<b>155.41</b>
	<b>Other Current Liabilities</b>		
	Current maturities of long-term borrowings (Refer Note 5)	105.57	76.75
	Interest accrued but not due on borrowings	7.53	8.47
	Unearned revenue	30.05	42.21
	Advance received from customers	113.79	67.53
	Deposits received from distributors	9.90	6.17
	Creditors for capital expenditure	21.73	4.42
	Unclaimed dividends <sup>^</sup>	0.35	0.68
	Statutory dues payable	58.38	56.62
	Other payables	379.36	407.35
	<b>Total</b>	<b>726.66</b>	<b>670.20</b>
	<b>Total</b>	<b>949.13</b>	<b>825.61</b>

<sup>^</sup> There are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March, 2016.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 10. Fixed Assets

₹ million

Description of Assets	Gross Block			Depreciation/Amortisation				Net Block		
	As at 01 April, 2015	Additions	Deductions	As at 31 March, 2016	Upto 31 March, 2015	For the year <sup>b</sup>	Deductions	Upto 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
<b>Tangible Assets</b>										
Freehold land	10.91	15.79	-	26.70	-	-	-	-	26.70	10.91
Building	-	12.93	-	12.93	-	0.16	-	0.16	12.77	-
Plant and machinery	1,369.50	90.16	86.42	1,373.24	516.71	192.11	74.17	634.65	738.59	852.79
Equipments	57.39	25.50	1.14	81.75	36.41	9.10	0.90	44.61	37.14	20.98
Computers	95.05	32.79	3.35	124.49	52.05	22.90	3.28	71.67	52.82	43.00
Furniture and fixtures	13.40	9.17	3.58	18.99	4.98	1.51	2.65	3.84	15.15	8.42
Vehicles	60.66	20.68	24.68	56.66	21.78	8.99	15.78	14.99	41.67	38.88
Leasehold improvements	37.50	6.61	-	44.11	15.67	10.66	-	26.33	17.78	21.83
<b>Total</b>	<b>1,644.41</b>	<b>213.63</b>	<b>119.17</b>	<b>1,738.87</b>	<b>647.60</b>	<b>245.43</b>	<b>96.78</b>	<b>796.25</b>	<b>942.62</b>	<b>996.81</b>
Previous Year	1,598.36	156.84	110.79	1,644.41	435.99	303.39	91.78	647.60	996.81	
<b>Intangible Assets</b>										
Computer software	169.23	2.85	1.03	171.05	108.98	37.84	0.98	145.84	25.21	60.25
<b>Total</b>	<b>169.23</b>	<b>2.85</b>	<b>1.03</b>	<b>171.05</b>	<b>108.98</b>	<b>37.84</b>	<b>0.98</b>	<b>145.84</b>	<b>25.21</b>	<b>60.25</b>
Previous Year	182.72	19.12	32.61	169.23	104.31	37.04	32.37	108.98	60.25	
<b>Capital Work-in-Progress</b>									<b>118.49</b>	<b>18.35</b>

### Note:

- Effective 1 April 2015, the Company has changed its method of accounting in respect of expenses incurred on development of new television channels till the time it is ready for commercial launch as Intangible assets, as permitted under AS 26, instead of charging it to Statement of Profit and Loss. Accordingly, ₹ 18.67 million of development expenditure has been capitalized during the period. Had the Company continued to use the earlier method of accounting, the profit after tax for the current period would have been lower by ₹ 12.21 million.
- With effect from 1 April, 2014, the Company has revised the useful life of some of its fixed assets to comply with the useful life as prescribed by Schedule II to the Companies Act, 2013. The carrying amount of the asset as on the date, (i.e., 1 April, 2014) has to be depreciated over the remaining prescribed useful life of the asset. Consequently, the depreciation charge of ₹ 54.78 million representing the written down value of fixed assets whose lives have expired as at 1 April, 2014 and deferred tax thereon of ₹ 18.62 million have been adjusted in surplus in the Statement of Profit and Loss. Previous year depreciation on tangible and intangible assets includes this depreciation of ₹ 54.78 million and ₹ 0 million (₹ 2,662) respectively.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ million

	2016	2015
<b>11 Non-Current Investments</b>		
<b>Trade Investments - Fully Paid Up and Unquoted</b>		
<b>i) In Equity shares of ₹ 10 each</b>		
<b>In Subsidiaries</b>		
10,000 (10,000) of Mediavest India Private Limited (extent of holding 100 %)	0.10	0.10
10,000 (10,000) of Pri-Media Services Private Limited (extent of holding 100 %)	0.10	0.10
2,400,002 (2,400,002) of Zee Akaash News Private Limited (extent of holding 60 %)	83.28	83.28
22,131,648 (22,131,648) of Maurya TV Private Limited (extent of holding 100% w.e.f. December 12, 2014)	77.91	77.91
	<b>161.39</b>	<b>161.39</b>
<b>In Others</b>		
435,000 (435,000) of Akash Bangla Private Limited	60.90	60.90
Less: Provision for diminution in value of investment	60.90	60.90
	-	-
<b>ii) In Debentures of wholly owned subsidiaries</b>		
9,882,410,565 (9,882,410,565) 0% Compulsorily Convertible Debentures of ₹ 1 each of Mediavest India Private Limited (Refer Note (a) below)	1,837.66	1,837.66
11,000,000 (11,000,000) 0.01% Compulsorily Convertible Debentures of ₹ 100 each of Pri-Media Services Private Limited (Refer Note (b) below)	1,100.00	1,100.00
142,500,000 (Nil) 0% Compulsorily Convertible Debentures of ₹ 10 each of Mediavest India Private Limited (Refer Note (c) below)	1,425.00	-
	<b>4,362.66</b>	<b>2,937.66</b>
<b>Total</b>	<b>4,524.05</b>	<b>3,099.05</b>
Aggregate amount of unquoted Investments	4,584.95	3,159.95
Diminution in value of investments	60.90	60.90

Note:

- Each debenture is compulsorily convertible on or before seven years from the date of allotment at the option of the debenture holder at the fair value of the equity shares at the time of conversion.
- Each debenture is compulsorily convertible on or before five years from the date of allotment at the option of the debenture holder at the fair value of the equity shares at the time of conversion.
- Each debenture is compulsorily convertible on or before five years from the date of allotment at the option of the debenture holder at a conversion ratio of one equity share of ₹ 10 each for every Compulsorily Convertible Debenture of ₹ 10.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ million

	2016	2015
<b>12 Deferred Tax Assets (net)</b>		
The components of deferred tax balances as at March 31 are as under:		
<b>Deferred Tax Assets</b>		
Arising on account of timing difference in employee retirement benefits	57.10	50.58
Depreciation	27.76	-
Allowable on payment basis	5.18	0.74
Provision for doubtful debts and advances	12.35	13.47
Fiscal Allowances	1.89	2.52
Others	1.40	0.24
	<b>105.68</b>	<b>67.55</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	-	5.90
	-	<b>5.90</b>
<b>Deferred Tax Assets (net)</b>	<b>105.68</b>	<b>61.65</b>

₹ million

	Long-Term		Short-Term	
	2016	2015	2016	2015
<b>13 Loans and Advances</b>				
(unsecured, considered good unless otherwise stated)				
<b>Capital advances</b>				
Related parties	-	1.89	-	-
Others	328.65	60.16	-	-
	<b>328.65</b>	<b>62.05</b>	-	-
<b>Deposits</b>				
Subsidiary	19.36	19.36	-	-
Others: Considered good	7.44	20.89	16.93	11.86
Considered doubtful	-	-	1.30	1.21
	26.80	40.25	18.23	13.07
Less: Provision for doubtful deposits	-	-	1.30	1.21
	<b>26.80</b>	<b>40.25</b>	<b>16.93</b>	<b>11.86</b>
<b>Loans and advances to related parties</b>				
Loan - subsidiary	-	-	-	346.48
Other advances	-	-	42.17	17.59
	-	-	<b>42.17</b>	<b>364.07</b>
<b>Other Loans and advances</b>				
Loan - employee	-	3.35	3.35	5.51
Loan - others	-	-	300.00	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ million

	Long-Term		Short-Term	
	2016	2015	2016	2015
Other Advances				
- considered good *	-	-	53.16	66.34
- considered doubtful	-	-	1.62	1.07
	-	3.35	358.13	72.92
Less: Provision for doubtful advances	-	-	1.62	1.07
	-	<b>3.35</b>	<b>356.51</b>	<b>71.85</b>
Prepaid expenses	0.70	1.68	50.52	6.03
Balances with Government authorities				
Advance direct tax (net of provisions)	232.64	225.10	-	-
Advance indirect taxes	-	-	71.13	69.15
<b>Total</b>	<b>588.79</b>	<b>332.43</b>	<b>537.26</b>	<b>522.96</b>

\* Includes ₹ 29.25 million (₹ 29.15 million) for immovable property acquired for sale.

₹ million

	Non-Current		Current	
	2016	2015	2016	2015
<b>14 Other Assets</b>				
(Unsecured, considered good)				
Unamortised share issue expenses (Refer Note 32)	-	25.19	-	-
Balances with bank in deposit accounts* (Refer Note 17)	16.35	4.38	-	-
Interest accrued on - Bank deposits	1.07	0.50	2.65	-
Other receivables				
- Related parties	-	-	0.23	0.23
- Others - considered good	-	-	0.21	9.17
- Others - considered doubtful	-	-	1.17	-
	17.42	30.07	4.26	9.40
Less: Provision for doubtful receivables - from others	-	-	1.17	-
<b>Total</b>	<b>17.42</b>	<b>30.07</b>	<b>3.09</b>	<b>9.40</b>

\* Pledged with statutory authorities / under banks' lien.

₹ million

	2016	2015
<b>15 Inventories</b>		
Raw stock - tapes	0.46	0.60
<b>Total</b>	<b>0.46</b>	<b>0.60</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>16</b>	<b>Trade Receivables (unsecured)</b>		
	Over six months		
	considered good	68.47	35.09
	considered doubtful	35.70	38.93
	Others		
	considered good	823.21	815.28
	considered doubtful	-	-
		927.38	889.30
	Less: Provision for doubtful debts	35.70	38.93
	<b>Total</b>	<b>891.68</b>	<b>850.37</b>

		₹ million			
		Non Current		Current	
		2016	2015	2016	2015
<b>17</b>	<b>Cash and Bank Balances</b>				
	<b>Cash and Cash Equivalents</b>				
	Balances with banks				
	- in current accounts*	-	-	111.69	261.88
	- in deposit with maturity upto 3 months**	-	-	450.00	-
	Cheques in hand	-	-	-	30.10
	Cash in hand	-	-	0.22	0.26
		-	-	<b>561.91</b>	<b>292.24</b>
	<b>Other Bank Balances</b>				
	Balances with Banks				
	Fixed deposits with maturity more than 12 months	16.35	4.38	-	-
	Share application money collection accounts (Refer Note 32)	-	-	-	1.19
	In Unclaimed dividend accounts	-	-	0.35	0.68
		16.35	4.38	0.35	1.87
	Less: Amount disclosed under the head "Other Assets" (Refer Note 14)	16.35	4.38	-	-
		-	-	<b>0.35</b>	<b>1.87</b>
	<b>Total</b>	-	-	<b>562.26</b>	<b>294.11</b>

\*Includes unutilised proceeds of Rights Issue amounting to ₹ 24.98 million (Nil).

\*\*Represents unutilised proceeds of Rights Issue.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>18</b>	<b>Revenue from Operations</b>		
	Services - Broadcasting revenue		
	Advertisement	2,790.50	2,686.48
	Subscription	914.40	1,000.45
	Sales -		
	Television programs	128.69	115.33
	Other operating income	2.50	-
	<b>Total</b>	<b>3,836.09</b>	<b>3,802.26</b>

		₹ million	
		2016	2015
<b>19</b>	<b>Other Income</b>		
	Interest Income		
	from bank deposits	27.71	0.43
	from loans	71.36	39.01
	from long term investments	0.11	0.11
	from income tax refund	-	6.56
	from others	0.72	2.79
	Dividend Income		
	from subsidiary	-	60.00
	Liabilities / excess provisions written back	5.98	4.19
	Gain on exchange difference (net)	3.47	1.20
	Miscellaneous income	0.41	0.56
	<b>Total</b>	<b>109.76</b>	<b>114.85</b>

		₹ million	
		2016	2015
<b>20</b>	<b>Operational Cost</b>		
	a) Television Programs - Production/ acquisition cost		
	Program purchased	-	57.98
	Raw tapes consumed	2.07	2.28
	Consultancy and professional charges	170.90	211.08
	News subscription fees	30.03	37.22
	Vehicle running, maintenance and hire charges	73.57	75.17

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ million	
		2016	2015
	Travelling and conveyance expenses	45.69	42.58
	Lease-line and V-sat expenses	62.01	63.12
	Hire charges	45.58	37.43
	Other production expenses	128.99	109.40
		<b>558.84</b>	<b>636.26</b>
	b) Telecast cost	138.97	140.06
	c) Channel subscription fees	19.88	21.72
	d) Channel management fee	34.54	122.38
	<b>Total</b>	<b>752.23</b>	<b>920.42</b>

Note : Television programs of Nil (₹ 7.11 Million) are impaired during the year.

		₹ million	
		2016	2015
<b>21</b>	<b>Employee benefits expense</b>		
	Salaries and allowances	978.08	1,001.80
	Contribution to provident and other funds	59.64	57.35
	Staff welfare expenses	49.65	49.97
	Staff recruitment and training expenses	1.96	3.73
	<b>Total</b>	<b>1,089.33</b>	<b>1,112.85</b>

		₹ million	
		2016	2015
<b>22</b>	<b>Finance costs</b>		
	Interest - on loans	109.29	129.84
	- on others	2.75	0.79
	Bank and other financial charges	6.82	0.69
	<b>Total</b>	<b>118.86</b>	<b>131.32</b>

		₹ million	
		2016	2015
<b>23</b>	<b>Depreciation and amortisation expense</b>		
	Depreciation on tangible assets	245.43	248.61
	Amortisation on intangible assets	37.84	37.04
	<b>Total</b>	<b>283.27</b>	<b>285.65</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>24</b>	<b>Other expenses</b>		
	Rent	118.81	92.00
	Rates and taxes	3.66	15.17
	Repairs and maintenance - Building	0.28	1.16
	- Plant and machinery	35.93	28.07
	- Other	38.99	34.74
	Insurance	3.21	3.36
	Electricity and water charges	70.83	72.14
	Communication charges	30.32	31.61
	Printing and stationary expenses	7.32	6.36
	Travelling and conveyance expenses	111.50	112.42
	Legal and professional charges	163.58	126.14
	Payment to auditors (Refer Note 29)	2.75	3.04
	Corporate Social Responsibility expenses (Refer Note 31)	3.15	4.94
	Donation	1.00	0.04
	Hire and service charges	48.66	42.16
	Miscellaneous expenses	15.21	18.62
	Marketing, distribution, business promotion expenses	542.34	634.45
	Advertisement and publicity expenses	150.54	55.08
	Commission/ discount	55.36	58.19
	Bad debts / advances written off	1.42	12.63
	Provision for doubtful debts and advances	(1.42)	(6.63)
	Loss on sale/discard of fixed assets (net)	15.21	16.39
	<b>Total</b>	<b>1,418.65</b>	<b>1,362.08</b>

**25 Operating Lease**

The Company has taken office premises, residential premises and plant and machinery (including equipments) etc. under cancellable/non-cancellable lease agreements, that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease period is generally for 11 to 120 months.

		₹ million	
		2016	2015
	Lease rental charges for the year	191.54	173.35
	<b>Future lease rental obligation payable (under non-cancellable leases)</b>		
	Not later than one year	124.92	23.33
	Later than one year but not later than five years	169.72	9.90

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 26 Contingent Liabilities not provided for

	₹ million	
	2016	2015
Custom duty pending export obligations	18.18	18.18
Disputed direct taxes #	8.46	360.61
Disputed indirect taxes	142.63	142.63
Corporate guarantees issued for loan raised and debentures issued by direct and indirect subsidiaries (loan outstanding ₹ 2,528.62 million (₹ 2,484.41 million))	2,700.00	2,540.00
Bank guarantees issued by bank	60.00	-
Legal cases against the Company *	Not ascertainable	Not ascertainable

# Income tax demands mainly include appeals filed by the Company before various appellate authorities against the disallowance of expenses / claims. The management is of the opinion that its tax cases will be decided in its favour and hence no provision is considered necessary at this stage.

\* The Company has received legal notices of claims / law suits filed against it relating to infringement of copy rights, defamation suits etc. in relation to programs telecasted / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

### 27 Capital and Other Commitments

	₹ million	
	2016	2015
a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	371.17	66.05
b) The Company has committed to provide continued financial support to its wholly owned subsidiaries	Unascertained	Unascertained

### 28 Managerial Remuneration

(a) Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Executive director and CEO/Whole-time director, included in Employee benefits expense is as under :

	₹ million			
	Executive director and CEO		Whole-time director	
	2016	2015	2016	2015
Salaries, allowances and perquisites*	3.59	-	-	2.54
Contribution to provident and other funds	0.23	-	-	0.11
<b>Total</b>	<b>3.82</b>	<b>-</b>	<b>-</b>	<b>2.65</b>

\* Remuneration excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis.

Mr. Alok Agrawal who was appointed as Whole-time director of the Company w.e.f. 30 July, 2013 for a period of three years had resigned w.e.f. close of business on 12 May, 2014.

Mr. Ashish Kripal Pandit who was appointed as Executive director and CEO of the Company w.e.f. 01 June, 2015 has resigned w.e.f. close of business on 12, October 2015.

(b) Commission payable to Non executive directors of ₹ 1.42 million (₹ 0.77 million) based on profits for the year is included in 'Miscellaneous expenses' (Refer Note 24).

(c) Sitting fees paid to Non executive directors of ₹ 1.10 million (₹ 1.18 million) is included in 'Miscellaneous expenses' (Refer Note 24).

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 29 Payment to Auditors

	₹ million	
	2016	2015
Audit fees	1.25	1.25
Tax audit fees	0.25	0.25
Certification work (including limited reviews)	0.60	0.82
Tax representation and other matters	0.63	0.70
Reimbursement of expenses including Swachh Bharat Cess	0.02	0.02
<b>Total ^</b>	<b>2.75</b>	<b>3.04</b>

^ excludes (i) service tax and (ii) fees for certification work for Rights Issue ₹ 2.52 million for the year ended 31 March, 2015, which is included in 'Unamortized Share issue expenses' (Refer Note 14).

## 30 Foreign Exchange

Foreign currency exposures that are not hedged by derivative instruments'

	₹ million	
	2016	2015
Payables	61.19	45.19
Receivables	108.80	65.32

**31** As per the requirement of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Company. The Company is required to spend ₹ 3.15 million (₹ 4.94 million) on the activities specified in the Schedule VII of the Companies Act, 2013 which has been fully paid during the year and included in Note 24.

**32** Pursuant to the Letter of Offer dated 16 March, 2015 for Rights Issue of equity shares, the Company has allotted 108,643,732 Rights Equity Shares of ₹ 1 each, fully paid up, on 18 April, 2015, at a price of ₹ 18 per share (including premium of ₹ 17 per share). The said Rights Issue was fully subscribed for an amount aggregating to ₹ 1,955.59 million, resulting in increase in Paid-up Share Capital of the Company to ₹ 470.79 million, comprising of 470,789,505 Equity Shares of ₹ 1 each. Out of the said proceeds, ₹ 1,480.61 million have been utilized for the stated purposes and the balance amount of ₹ 474.98 million, pending utilization have been temporarily deployed in fixed deposits and current accounts with banks as per details given below:

	₹ million		
Details of Utilisation	Proposed utilisation as per Letter of Offer	Utilised upto 31 March 2016	Unutilised as at 31 March 2016
Purchase of equipment and accessories	450.52	-	450.52
Repayment / prepayment of loans of the Company	449.95	449.95	-
Funding subsidiary(ies) for prepayment / repayment of loans	600.00	600.00	-
General Corporate Purposes including issue expenses	455.12	430.66	24.46
<b>Total</b>	<b>1,955.59</b>	<b>1,480.61</b>	<b>474.98</b>

The Rights Issue expenses of ₹ 30.66 million are adjusted against Securities Premium in accordance with Section 52 of the Companies Act, 2013.

## 33 Micro, Small and Medium Enterprises

The Company has no dues to Micro, Small and Medium Enterprises during the year ended 31 March, 2016 on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 34 Employee Benefits

As per the Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits are given below:

### (A) Defined Benefit Plan

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

Disclosure of gratuity in terms of AS 15 is as under:

(i) Expenses recognised during the year

	₹ million	
	<b>Gratuity (Non Funded)</b>	
	<b>2016</b>	<b>2015</b>
Service cost	17.35	14.24
Interest cost	7.02	6.47
Net actuarial (gain)/loss on obligation	1.77	15.22
<b>Total Expenses</b>	<b>26.14</b>	<b>35.93</b>

(ii) Net Assets/ (Liability) recognised in the Balance Sheet

	₹ million	
	<b>2016</b>	<b>2015</b>
Present value of deferred obligation	102.80	90.37
Net Asset/ (Liability)	<b>(102.80)</b>	<b>(90.37)</b>

(iii) Reconciliation of Net Asset/ (Liability) recognised in the Balance Sheet

	₹ million	
	<b>2016</b>	<b>2015</b>
Net Asset/ (Liability) at the beginning of the year	(90.37)	(67.77)
Expenses as per (i) above	(26.14)	(35.93)
Benefits paid	13.71	13.33
Net Asset/ (Liability) at the end of the year	<b>(102.80)</b>	<b>(90.37)</b>

(iv) Actuarial assumptions :

	<b>2016</b>	<b>2015</b>
Discount rate	7.80%	7.75%
Expected salary escalation rate	6.50%	6.50%
Mortality table	IALM (2006-08)	IALM (2006-08)

(v) Amounts recognised in current year and previous four years :

	₹ million				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Defined benefit obligation	102.80	90.37	67.77	56.97	50.73
Actuarial (gain)/loss on plan obligation	1.77	15.22	12.32	7.88	3.44

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note:

- (a) Amount recognised as an expense and included in Note 21 'Employee benefit expense' are gratuity ₹ 26.14 million (₹ 35.93 million) and leave encashment ₹ 23.40 million (₹ 33.80 million).
- (b) The estimates of rate of escalation in salary considered in the actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### (B) Defined Contribution Plan

"Contribution to provident and other funds" is recognized as an expense in Note 21 'Employee benefits expense' above.

## 35 Disclosures as required by Regulation 34(3) of the Listing Agreement

- (a) Loans and advances given to subsidiary / associate :

₹ million

	Balance as at		Maximum amount outstanding during the year	
	2016	2015	2016	2015
<b>Subsidiaries:</b>				
Mediavest India Private Limited	-	346.48	-	346.48
Pri - Media Services Private Limited	-	-	150.00	-

- (b) None of the loanees have made investments in the shares of the Company.

## 36 Related Party Transactions

### (i) List of Parties where control exists:

#### Direct Subsidiary :

- Zee Akaash News Private Limited (extent of holding 60%),
- Mediavest India Private Limited (extent of holding 100%)
- Pri - Media Services Private Limited (extent of holding 100%)
- Maurya TV Private Limited (extent of holding 100% w.e.f. 12 December, 2014)

#### Indirect Subsidiary :

- Diligent Media Corporation Limited (Mediavest India Private Limited holds 99.99%) (89,095,342 equity shares held out of a total of 89,095,542 equity shares)

#### Associate:

- Maurya TV Private Limited (extent of holding 37.87% up to 11 December, 2014)

### (ii) Other Related Parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

24 Ghantalu News Limited, ATL Media Limited (formerly known as Asia Today Limited), Cyquator Media Services Private Limited, Dish TV India Limited, Digital Subscriber Management and Consultancy Services Private Limited, Essel Business Excellence Services Private Limited, Essel Corporate Resources Private Limited, Essel Shyam Communication Limited, Essel Vision Production Limited, Essel Finance VKC Forex Limited, Jay Properties Private Limited, India Webportal Private Limited, Media Pro Enterprise India Private Limited, Pan India Network Limited, Siti Cable Network Limited, Smart Wireless Private Limited, Taj Television (India) Private Limited, Zee Entertainment Enterprises Limited, Zee Foundation, Zee Learn Limited, Zee Sports Limited, Zee Turner Limited, Zee Digital Convergence Limited.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Key Management Personnel

### Directors

Dr. Subhash Chandra (Non-Executive Chairman), Shri Alok Agrawal (up to 12 May, 2014), Shri Ashish Kripal Pandit (w.e.f. 01 June, 2015 up to 12 October, 2015)

### (iii) Transactions with Related Parties:

		₹ million	
		2016	2015
<b>(A)</b>	<b>Transactions :</b>		
	<b>(i) With Subsidiary Company</b>		
	<b>- Zee Akaash News Private Limited</b>		
	Channel subscription fees paid	19.85	21.72
	Other operational expenses	72.31	31.35
	Dividend income	-	60.00
	<b>- Pri - Media Services Private Limited</b>		
	Interest income on denbentures	0.11	0.11
	Interest income on loan	8.91	-
	Printing and stationery expenses	2.68	1.26
	Loans, advances and deposits given	150.00	-
	Loans, advances and deposits received back	150.00	-
	Corporate guarantee given	2,500.00	-
	Corporate guarantee released	2,540.00	-
	<b>- Mediavest India Private Limited</b>		
	Interest income	32.55	32.97
	Loans, advances and deposits given	-	316.80
	Loans, advances and deposits received back	346.48	-
	Investment made in debentures	1,425.00	-
	<b>- Diligent Media Corporation Limited</b>		
	Rent paid	12.00	12.00
	Advertisement and publicity expenses	105.38	7.62
	Legal and professional expenses (includes ₹ 0.09 million (Nil) related to Rights Issue expenses)	0.30	0.36
	Advertisement revenue received	0.35	-
	Printing and stationery expenses	0.15	-
	Loans, advances and deposits given	14.85	-
	Corporate guarantee given	200.00	-
	<b>- Maurya TV Private Limited</b>		
	Channel management fee paid	34.51	31.23
	Other operational expenses	13.67	2.14
	Loans, advances and deposits given	5.07	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ million

	2016	2015
<b>(ii) With Associate</b>		
<b>- Maurya TV Private Limited</b>		
Channel management fee paid	-	91.14
Other operational expenses	-	3.02
<b>(iii) With Key Managerial Personnel:</b>		
<b>Commission to non executive directors</b>	<b>0.30</b>	<b>0.20</b>
Dr. Subhash Chandra	0.30	0.20
<b>Remuneration to key managerial personnel</b>	<b>3.81</b>	<b>2.65</b>
Shri Alok Agrawal	-	2.65
Shri Ashish Kirpal Pandit	3.81	-
<b>Sitting fees to non executive directors</b>	<b>0.14</b>	<b>0.22</b>
Dr. Subhash Chandra	0.14	0.22
<b>(iv) With Other Related Parties:</b>		
<b>Revenue from broadcasting services</b>	<b>1,000.01</b>	<b>1,095.91</b>
Media Pro Enterprise India Private Limited	-	200.00
Taj Television (India) Private Limited	914.40	800.45
Other Related Parties	85.61	95.46
<b>Sale of television programs</b>	<b>128.04</b>	<b>115.33</b>
ATL Media Limited	128.04	115.33
<b>Other operating Income</b>	<b>2.50</b>	<b>-</b>
Zee Digital Convergence Limited	2.50	-
<b>Sale of fixed assets</b>	<b>-</b>	<b>0.30</b>
Dish TV India Limited	-	0.30
<b>Purchase of fixed assets / capital work in progress</b>	<b>7.16</b>	<b>1.79</b>
Zee Entertainment Enterprises Limited	-	1.79
Digital Subscriber Management and Consulting Private Limited	7.16	-
<b>Lease-line and V-sat expenses</b>	<b>40.48</b>	<b>40.48</b>
Dish TV India Limited	21.65	21.65
Essel Shyam Communication Limited	18.83	18.83
<b>Telecast cost</b>	<b>79.03</b>	<b>77.93</b>
Dish TV India Limited	42.24	42.24
Zee Entertainment Enterprises Limited	36.79	35.69
<b>Rent paid</b>	<b>74.78</b>	<b>47.32</b>
Zee Entertainment Enterprises Limited	74.78	46.57
Essel Business Excellence Services Private Limited	-	0.75

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		2016	2015
			₹ million
	<b>Marketing, distribution and business promotion expenses</b>	<b>75.63</b>	<b>57.05</b>
	Siti Cable Network Limited	33.63	36.05
	Dish TV India Limited	42.00	21.00
	<b>Advertisement and publicity expenses</b>	<b>2.05</b>	<b>0.60</b>
	Dish TV India Limited	-	0.60
	India Web Portal Private Limited	2.05	-
	<b>Other services</b>	<b>148.01</b>	<b>80.35</b>
	Zee Entertainment Enterprises Limited	56.89	56.86
	Essel Corporate Resources Private Limited	19.20	19.20
	Essel Business Excellence Services Private Limited	21.13	0.08
	Zee Digital Convergence Limited	49.61	-
	Other Related Parties	1.18	4.21
	<b>Purchase of foreign currency</b>	<b>2.16</b>	<b>-</b>
	Essel Finance VKC Forex Limited	2.16	-
	<b>Loans, advances and deposits given</b>	<b>-</b>	<b>15.21</b>
	Essel Business Excellence Services Private Limited	-	15.21
	<b>Loans, advances and deposits repayment received</b>	<b>-</b>	<b>3.03</b>
	24 Ghantalu News Limited	-	1.42
	Zee Sports Limited	-	0.80
	Essel Business Excellence Services Private Limited	-	0.81
	<b>Corporate Social Responsibility expenses / donation</b>	<b>1.55</b>	<b>4.94</b>
	Zee Foundation	1.55	4.94
	<b>Balances written off</b>	<b>-</b>	<b>0.07</b>
	Zee Learn Limited	-	0.07
<b>(B)</b>	<b>Balances at the end of the year:</b>		
	<b>(i) Subsidiary Company</b>		
	<b>- Zee Akaash News Private Limited</b>		
	Investment in equity share capital	83.28	83.28
	Trade payables/ Other payable	21.18	32.57
	Trade receivables	-	0.68
	<b>- Pri - Media Services Private Limited</b>		
	Investment in equity share capital	0.10	0.10
	Investment in debentures	1,100.00	1,100.00
	Corporate guarantee given	2,500.00	2,540.00
	<b>- Mediavest India Private Limited</b>		
	Investment in equity share capital	0.10	0.10
	Investment in debentures	3,262.66	1,837.66
	Loans, advances and deposits given	-	346.48

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	2016	2015
		₹ million
<b>- Diligent Media Corporation Limited</b>		
Other receivables	14.85	1.15
Trade receivables	0.81	-
Corporate guarantee given	200.00	-
<b>- Maurya TV Private Limited</b>		
Investment in equity share capital	77.91	77.91
Loans, advances and deposits given	19.36	19.36
Trade payables	-	15.57
Other advances	5.07	-
<b>(ii) Key Managerial Personnel:</b>		
Commission payable to non executive director	<b>0.30</b>	<b>0.20</b>
Dr. Subhash Chandra	0.30	0.20
<b>(iii) Other Related Parties</b>		
<b>Trade receivables</b>	<b>127.77</b>	<b>292.10</b>
ATL Media Limited	61.56	55.61
Dish TV India Limited	53.38	1.67
Taj Television (India) Private Limited	-	193.63
Other Related Parties	12.83	41.19
<b>Loans, advances and deposits given / other receivables</b>	<b>22.48</b>	<b>18.57</b>
Digital Subscriber Management and Consultancy Services Private Limited	-	1.89
Essel Business Excellence Services Private Limited	11.49	14.40
Siti Cable Network Limited	7.86	0.23
Other Related Parties	3.13	2.05
<b>Trade payables / other payables</b>	<b>225.37</b>	<b>87.86</b>
Dish TV India Limited	67.83	23.27
ATL Media Limited	32.48	30.70
Zee Entertainment Enterprises Limited	108.90	19.94
Essel Corporate Resources Private Limited	-	10.84
Other Related Parties	16.16	3.11
<b>Advances and deposits received</b>	<b>61.23</b>	<b>0.12</b>
Pan India Network Limited	0.15	0.12
Taj Television (India) Private Limited	61.04	-
Other Related Parties	0.04	-

Note:

- (i) Parties with transactions less than 10% of the group total are grouped under the head "Other Related Parties".
- (ii) Salaries, allowances and perquisites paid to key managerial personnel for the year excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis. Allowances and perquisites are valued as per the Income Tax Act, 1961.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 37 Prior period items included in the respective heads are as under :

	₹ million	
	2016	2015
<b>Expenses</b>		
Commission / discount	-	0.50
Legal and professional charges	-	0.17
Repair and maintenance - plant and machinery	4.05	-
<b>Total</b>	<b>4.05</b>	<b>0.67</b>

## 38 Disclosures under Section 186(4) of the Companies Act, 2013

### (a) Loans given

	₹ million			
	2015*	Given	Repaid	2016
To wholly owned subsidiaries	346.48	150.00	496.48	-
In the form of unsecured short term inter corporate deposits	-	300.00	-	300.00

\* Includes interest ₹ 29.68 million.

Note : All the loans are short term in nature given for general business purpose, and carry interest ranging from 12.50% to 13.50% per annum.

### (b) Investments made

There are no investments by the Company other than those stated under Note 11 in the Financial Statements.

### (c) Guarantees given

The Company has provided guarantees aggregating to ₹ 2,500.00 million for redeemable non convertible debentures issued (previous year ₹ 2,540.00 million for loans raised) by its wholly owned subsidiary viz. Pri-Media Services Private Limited and ₹ 200.00 million (previous year Nil) for loans raised by its indirect subsidiary viz. Diligent Media Corporation Limited.

### (d) Securities given

There are no securities given during the year.

## 39 (a) Consumption of Raw stock (included in operational cost)

	₹ million	
	2016	2015
Raw Tapes	2.07	2.28
<b>Total expense</b>	<b>2.07</b>	<b>2.28</b>

### (b) Details of consumption of imported and indigenous stocks

Details of Utilisation	2016		2015	
	Percentage	₹ million	Percentage	₹ million
Imported	17.32%	0.36	80.99%	1.85
Indigenous	82.68%	1.71	19.01%	0.43
<b>Total</b>	<b>100.00%</b>	<b>2.07</b>	<b>100.00%</b>	<b>2.28</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 40 Earnings in Foreign Exchange

	₹ million	
	2016	2015
FOB value of export of programs	128.39	115.33
Advertisement revenue	20.60	15.98

### 41 Expenditure in Foreign Currency

	₹ million	
	2016	2015
Telecast cost	51.86	56.38
Production expenses	8.97	31.92
Other expenses	13.23	5.97
Capital Expenditure	4.89	-

### 42 CIF Value of Imports

	₹ million	
	2016	2015
Raw stock - tapes	0.32	1.09
Capital equipment	129.33	60.08
Repair and maintenance	0.55	4.93

### 43 Segment Reporting

The Company is engaged in the business of "Production and Broadcasting of Television software" which in the context of AS 17 "Segment Reporting" is considered as the only reportable business segment. The geographical segment is not relevant as exports are insignificant.

- 44 The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March, 2015. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

### 45 Scheme of Amalgamation

The Scheme of Amalgamation (the 'Scheme') under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 for the amalgamation of Essel Publishers Private Limited ("EPPL") with the Company was approved by the Hon'ble High Court of Judicature at Mumbai vide Order passed on 2 May, 2014, with Appointed Date being 1 April, 2014. The Scheme has been made effective on 27 May, 2014 and hence given effect in the financial statements for the year ended 31 March 2015. Pursuant to the Scheme, the entire business and whole of the undertaking of EPPL, including all assets and liabilities of EPPL as detailed below, vested in the Company as a going concern and recorded at their respective fair values under the "Purchase Method" as per Accounting Standard 14.

#### Pursuant to the Scheme:

- (i) The Company has issued and allotted 122,381,817 fully paid up Equity Shares of ₹ 1 each to the shareholders of EPPL in the ratio of 2 fully paid up Equity Shares ₹ 1 each of the Company for every 11 Equity Shares ₹ 1 each held in EPPL.
- (ii) ₹ 1,671.62 million, i.e. excess of assets over liabilities transferred to the Company and cancellation of inter company balances and obligations, has been transferred to the Capital Reserve.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iii) The authorised share capital of the Company is increased by ₹ 700 million to ₹ 1,700 million divided into 1700,000,000 Equity Shares of ₹ 1 each.

### 46 Earnings per share (EPS)

	2016	2015
Profit after tax (₹ million)	187.45	61.65
Weighted average number of equity shares for Basic and Diluted EPS (Numbers)	465,743,211	366,705,029
Nominal value of each equity share (₹)	1	1
Basic and Diluted EPS (₹) *	0.40	0.17

\* Basic and diluted EPS of previous year is adjusted for equity shares issued pursuant to the Rights Issue.

### 47 Previous year comparatives

Previous year's figures have been regrouped, rearranged or recast wherever necessary to conform to current year's classification. Figures in brackets pertain to previous year.

## PERFORMANCE RATIO AND ANALYSIS

Year Ending March 31,		Consolidated					Standalone				
		2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>Financial Performance</b>											
Advertisement Income/Income from Operations	(%)	73.9	72.4	65.8	66.5	65.2	72.7	70.7	62.4	61.8	60.9
Subscription Income/Income from Operations	(%)	16.8	18.4	29.8	27.7	24.2	23.8	26.3	32.8	31.6	27.2
Operating Profit/Income from Operations	(%)	14.3	7.0	7.6	12.4	17.4	15.0	10.7	5.3	9.4	14.7
Other Income/Total Income	(%)	3.1	1.7	6.6	6.4	4.8	2.8	2.9	7.7	8.6	5.0
Programming Cost/Income from Operations	(%)	24.5	29.1	19.7	17.4	23.1	19.61	24.2	20.3	16.6	23.4
Personnel Cost/Income from Operations	(%)	27.1	29.6	29.6	28.9	24.3	28.4	29.3	29.1	29.0	24.2
Selling & Admin. Expenses/Income from Operations	(%)	34.1	34.5	43.1	41.3	35.6	36.98	35.8	45.2	45.1	37.8
Total Operating Cost/Income from Operations	(%)	85.7	93.0	92.4	87.6	82.6	85.0	89.3	94.7	90.6	85.3
Financial Expenses/Income from Operations	(%)	8.1	9.7	3.1	2.9	3.5	3.1	3.5	3.4	3.3	3.9
Tax/Income from Operations	(%)	(0.0)	(2.3)	2.2	4.9	5.0	2.5	1.1	1.2	4.1	4.1
PAT for the year/Total Income	(%)	(1.2)	(8.4)	5.3	7.4	3.6	4.8	1.6	5.7	8.3	2.2
Tax / PBT	(%)	7.7	22.3	25.6	35.1	50.2	33.9	41.2	16.7	31.0	64.1
Dividend Payout/PAT for the year	(%)	(102.1)	-	-	-	-	37.7	-	-	-	-
Dividend Payout/Effective Net Worth	(%)	1.3	-	-	-	-	1.16	-	-	-	-
<b>Balance Sheet</b>											
Debt-Equity Ratio (Total Loans/Effective Net Worth)	(x)	0.7	1.3	0.5	0.3	0.4	0.2	0.3	0.5	0.3	0.4
Current Ratio (Current Assets/Current Liabilities)	(x)	1.6	0.6	1.9	2.0	2.1	1.4	1.2	1.8	1.9	2.0
Capital Output Ratio (Income from Operations/Eff. Cap. Employed)	(x)	0.6	0.7	0.9	1.0	1.1	0.5	0.7	0.9	1.0	1.1
Fixed Assets Turnover (Income from Operations/F.A)	(x)	0.9	0.9	2.4	3.4	3.6	3.5	3.5	2.4	3.4	3.8
Cash & Cash equivalents/Eff. Capital Employed	(%)	9.3	4.8	4.6	4.4	9.9	7.8	5.5	3.4	1.3	6.3
RONW (PAT for the year/Eff. Networkth)	(%)	(1.3)	(12.9)	8.2	11.4	6.1	3.1	1.5	8.5	12.0	3.5
ROCE (PBIT/Eff. Capital Employed)	(%)	5.1	(0.3)	9.3	15.9	20.6	5.6	4.4	8.1	14.6	17.4
<b>Per Share Data *</b>											
Revenue Per Share	(₹)	11.5	15.0	14.0	12.7	12.8	8.1	10.5	12.7	11.1	11.4
Dividend Per Share	(₹)	0.15	-	-	-	-	0.15	-	-	-	-
Indebtedness Per Share	(₹)	7.7	12.7	4.6	2.8	3.3	2.4	3.7	4.6	2.8	3.3
Earnings Per Share	(₹)	(0.1)	(1.3)	0.8	1.0	0.5	0.4	0.2	0.8	1.0	0.3
P.E Ratio (Share Price as of March 31,)	(x)	(123.5)	(13.9)	17.8	13.3	21.4	45.6	104.0	17.9	13.2	39.8

Notes:

\* Annualised

Previous years figures have been regrouped wherever necessary

# FINANCIAL HIGHLIGHTS

₹ million

Year Ending March 31,	Consolidated					Standalone				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>Revenue Account</b>										
Income from Operations	5,429.2	5,443.3	3,351.6	3,038.2	3,072.2	3,836.1	3,802.3	3,048.6	2,667.9	2,733.3
Total Expenses	4,651.3	5,061.7	3,096.8	2,662.8	2,538.7	3,260.2	3,395.3	2,886.1	2,418.1	2,330.8
Operating Profit	777.8	381.7	254.8	375.4	533.5	575.9	406.9	162.5	249.8	402.5
% to Income from Operations	14.3%	7.0%	7.6%	12.4%	17.4%	15.0%	10.7%	5.3%	9.4%	14.7%
Other Income	175.6	94.4	235.8	208.1	155.5	109.8	114.8	253.2	251.3	145.0
PBIDT	953.5	476.1	490.6	583.5	689.0	685.6	521.8	415.7	501.1	547.5
Financial Expenses	441.5	526.3	103.4	87.9	106.6	118.9	131.3	103.3	87.9	106.6
Depreciation/Amortisation	483.2	504.9	160.7	119.5	112.1	283.3	285.7	146.4	106.9	101.4
Profit Before Tax & Exceptional Items	28.7	(555.1)	226.5	376.1	470.3	283.5	104.8	166.0	306.3	339.5
Exceptional Items	61.5	-	(59.9)	(46.0)	166.7	-	-	(59.9)	(46.0)	166.7
Profit Before Tax	(32.8)	(555.1)	286.4	422.1	303.6	283.5	104.8	225.8	352.3	172.8
Tax	(2.5)	(123.5)	73.2	148.3	152.5	96.1	43.1	37.7	109.3	110.8
Profit after Tax & before Minority Interest	(30.3)	(431.5)	213.2	273.8	151.1	187.5	61.7	188.2	243.0	62.0
Less: Minority Interest	(38.9)	(35.0)	(23.9)	(32.0)	(35.6)	-	-	-	-	-
PAT	(69.2)	(466.5)	189.3	241.8	115.5	187.5	61.7	188.2	243.0	62.0
% to Total Income	-1.2%	-8.4%	5.3%	7.4%	3.6%	4.8%	1.6%	5.7%	8.3%	2.2%
Dividend	70.6	-	-	-	-	70.6	-	-	-	-
Dividend Rate %	15.0%	-	-	-	-	15.0%	-	-	-	-
<b>Capital Account</b>										
Share Capital	470.8	362.1	239.8	239.8	239.8	470.8	362.1	239.8	239.8	239.8
Share Application Money Pending Rights Issue	-	1.2	-	-	-	-	1.2	-	-	-
Reserves & Surplus	4,907.5	3,245.4	2,071.3	1,888.1	1,654.2	5,595.5	3,676.8	1,979.7	1,791.5	1,548.5
Deferred Tax Balances	(1,235.2)	(1,022.5)	(43.5)	(26.5)	(27.0)	(105.7)	(61.6)	(57.1)	(38.6)	(38.7)
Minority Interest	142.0	103.1	116.6	120.8	126.0	-	-	-	-	-
Loan Funds	3,621.1	4,602.8	1,114.6	666.6	780.0	1,120.9	1,331.2	1,114.6	666.6	779.9
<b>Capital Employed</b>	<b>7,906.2</b>	<b>7,292.1</b>	<b>3,498.8</b>	<b>2,888.8</b>	<b>2,773.0</b>	<b>7,081.5</b>	<b>5,309.7</b>	<b>3,277.0</b>	<b>2,659.3</b>	<b>2,529.5</b>
Effective Capital Employed	9,141.4	8,314.6	3,542.3	2,915.4	2,800.1	7,187.2	5,371.3	3,334.1	2,697.9	2,568.2
Effective Networkth	5,378.3	3,608.7	2,311.0	2,128.0	1,894.1	6,066.3	4,040.1	2,219.4	2,031.3	1,788.3
Fixed Assets	5,950.9	6,334.5	1,405.6	903.8	844.7	1,086.3	1,075.4	1,268.1	774.9	723.0
Investments (including Current Investments)	-	22.3	39.0	-	-	4,524.1	3,099.1	122.3	83.8	83.3
Net Assets	1,955.3	935.3	2,054.2	1,985.0	1,928.3	1,471.1	1,135.2	1,886.6	1,800.6	1,723.2
<b>Capital Deployed</b>	<b>7,906.2</b>	<b>7,292.1</b>	<b>3,498.8</b>	<b>2,888.8</b>	<b>2,773.0</b>	<b>7,081.5</b>	<b>5,309.7</b>	<b>3,277.0</b>	<b>2,659.3</b>	<b>2,529.5</b>
Closing Market Price Per Share of Re.1	18.4	17.7	14.0	13.4	10.3	18.4	17.7	14.0	13.4	10.3
Market Capitalisation	8,639.0	6,410.0	3,363.9	3,200.8	2,467.2	8,639.0	6,410.0	3,363.9	3,200.8	2,467.2

# INDEPENDENT AUDITOR'S REPORT

To,

**The Members of Zee Media Corporation Limited**

## Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Zee Media Corporation Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 5 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Other Matters

5. We did not audit the financial statements of three subsidiaries whose financial statements reflect revenue of Rs./million 1222.44, total assets of Rs./million 5135.28 and net cash inflows amounting to Rs./million 22.56 for the year then ended, as considered in the consolidated

financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

6. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The consolidated balance sheet, the consolidated Statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its subsidiary companies, none of the directors of the

Group is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in Annexure A; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 29 to the consolidated financial statements;
  - ii) The Group did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no such amounts which were required to be transferred by its subsidiary companies.

#### **For MGB & Co. LLP**

Chartered Accountants  
Firm Registration Number 101169W/W-100035

#### **Hitendra Bhandari**

Partner  
Membership Number 107832

Place: Mumbai  
Date: 24 May 2016

## Annexure - A to the Independent Auditor's Report

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(f) of the Independent Auditor's Report of even date to the members of the Zee Media Corporation Limited on the consolidated financial statements for the year ended 31 March, 2016.**

We have audited the internal financial controls over financial reporting of **Zee Media Corporation Limited** ("the Holding Company") and its subsidiary companies as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls over financial reporting in so far as it relates to subsidiary companies is based on corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Place: Mumbai

Date: 24 May, 2016

# CONSOLIDATED BALANCE SHEET as at 31 March

	Note	2016	2015
₹ million			
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	470.79	362.15
Reserves and Surplus	4	4,907.47	3,245.37
		<b>5,378.26</b>	<b>3,607.52</b>
<b>Share Application Money Pending Allotment</b>		<b>-</b>	<b>1.19</b>
<b>Minority Interest</b>		<b>141.99</b>	<b>103.10</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	3,144.27	2,759.79
Other Long-Term Liabilities	6	250.23	30.21
Long-Term Provisions	7	177.59	160.96
		<b>3,572.09</b>	<b>2,950.96</b>
Short-Term Borrowings	8	371.10	1,631.70
Trade Payables	9	393.61	337.78
Other Current Liabilities	9	1,080.59	1,286.15
Short-Term Provisions	7	135.41	24.32
		<b>1,980.71</b>	<b>3,279.95</b>
<b>Total</b>		<b>11,073.05</b>	<b>9,942.72</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		4,050.35	4,482.24
Intangible Assets		1,780.40	1,813.57
Capital work-in-progress		120.08	38.74
		<b>5,950.83</b>	<b>6,334.55</b>
Non-Current Investments	11	-	22.27
Deferred Tax Assets (net)	12	1,235.24	1,022.48
Long-Term Loans and Advances	13	668.99	418.87
Other Non-Current Assets	14	28.02	82.26
		<b>7,883.08</b>	<b>7,880.43</b>
<b>Current Assets</b>			
Inventories	15	66.24	49.58
Trade Receivables	16	1,177.43	1,142.77
Cash and Bank Balances	17	847.49	399.27
Short-Term Loans and Advances	13	1,082.45	453.95
Other Current Assets	14	16.36	16.72
		<b>3,189.97</b>	<b>2,062.29</b>
<b>Total</b>		<b>11,073.05</b>	<b>9,942.72</b>
Notes forming part of the consolidated financial statements	1 - 40		

As per our attached report of even date

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership No. 107832

Mumbai, 24 May 2016

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

**Dinesh Garg**

Chief Financial Officer

**Rajendra Kumar Arora**

Executive Director and CEO

**Pushpal Sanghavi**

Company Secretary

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended 31 March

		₹ million	
	Note	2016	2015
<b>Revenue</b>			
Revenue from Operations	18	5,429.16	5,443.33
Other Income	19	175.61	94.42
<b>Total</b>		<b>5,604.77</b>	<b>5,537.75</b>
<b>Expenses</b>			
Cost of Raw Material Consumed	20	438.09	525.67
(Increase) / Decrease in Inventories	21	(0.05)	-
Operational Cost	22	890.69	1,053.30
Employee Benefits Expense	23	1,473.55	1,606.58
Finance Costs	24	441.54	526.28
Depreciation and Amortisation Expense	25	483.24	504.86
Other Expenses	26	1,849.03	1,876.12
<b>Total</b>		<b>5,576.09</b>	<b>6,092.81</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>28.68</b>	<b>(555.06)</b>
Less : Exceptional Items	27	61.51	-
<b>Profit/(Loss) before tax</b>		<b>(32.83)</b>	<b>(555.06)</b>
<b>Less: Tax expense</b>			
Current Tax			
- Current year		217.25	115.75
- Earlier years		(7.02)	(17.60)
Deferred Tax		(212.76)	(221.69)
<b>Profit/(Loss) before minority interest and share of results of associate</b>		<b>(30.30)</b>	<b>(431.52)</b>
<b>Less : Minority interest</b>		<b>38.89</b>	<b>34.99</b>
<b>Add: Share of profit/(loss) from the associate</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b>(69.19)</b>	<b>(466.51)</b>
<b>Earnings per equity share (face value ₹ 1 each) (₹)</b>	<b>39</b>		
- Basic and Diluted before exceptional items		(0.02)	(1.27)
- Basic and Diluted after exceptional items		(0.15)	(1.27)
Notes forming part of the consolidated financial statements	1-40		

As per our attached report of even date

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership No. 107832

Mumbai, 24 May 2016

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

**Dinesh Garg**

Chief Financial Officer

**Rajendra Kumar Arora**

Executive Director and CEO

**Pushpal Sanghavi**

Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March

₹ million

	2016	2015
<b>A. Cash flow from Operating activities</b>		
Profit / (loss) before tax	(32.83)	(555.06)
Adjustments for:		
Depreciation and amortisation expense	483.24	504.86
Loss on sale/discard of fixed assets (net)	79.33	17.40
Interest expense	202.96	525.19
Premium on redemption of debentures	224.34	-
Interest income	(68.53)	(29.16)
Dividend income	(1.06)	(0.68)
Liabilities/excess provisions written back	(93.92)	(52.42)
Provision for doubtful debts and advances	16.36	(0.57)
Unrealised foreign exchange loss (net)	4.81	9.27
Operating profit before working capital changes	814.70	418.83
Adjustments for:		
(Increase)/decrease in inventories	(16.66)	(7.26)
(Increase)/decrease in trade and other receivables	(335.05)	(340.48)
Increase/(decrease) in trade and other payables	87.27	(32.49)
<b>Cash generated from operations</b>	<b>550.26</b>	<b>38.60</b>
Direct taxes paid (net)	(220.02)	(217.93)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>330.24</b>	<b>(179.33)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including capital advances (given) / refunded	(618.69)	18.05
Sale of fixed assets	191.60	4.08
Loan given to others	(300.00)	(303.40)
Loan repaid by others	-	505.29
Decrease in minority interest	-	(47.63)
Share acquisition of subsidiary	-	(38.92)
Sale of investment	22.27	-
Deposits with banks (net)	(14.15)	(43.10)
Dividend received on investment	1.75	-
Interest received	62.85	38.55
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(654.37)</b>	<b>132.92</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March

₹ million

	2016	2015
<b>C. Cash flow from financing activities</b>		
Proceeds from Rights Issue	1,955.59	-
Rights Issue expenses	(5.47)	(25.19)
Proceeds from long-term borrowings	2,500.00	125.75
Repayment of long-term borrowings	(2,232.35)	(43.20)
Proceeds from short-term working capital loan	-	200.00
Repayment of short-term working capital loan	(200.00)	-
Proceeds from cash credit (net)	(283.00)	(104.53)
Proceeds from short term borrowings	-	1,937.85
Repayment of short term borrowings	(777.60)	(1,377.74)
Proceeds from vehicle loans	19.63	8.41
Repayment of vehicle loans	(8.41)	(6.17)
Interest paid	(237.97)	(514.32)
Dividend tax paid	-	(11.45)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>730.42</b>	<b>189.41</b>
<b>Net Cash flow / (outflow) during the year (A+B+C)</b>	<b>406.29</b>	<b>143.00</b>
Cash and cash equivalents at the beginning of the year	357.60	162.11
Cash and cash equivalents on acquisition of subsidiary	-	7.88
Cash and cash equivalents received pursuant to the Scheme of Amalgamation	-	44.61
<b>Cash and cash equivalents at the end of the year</b>	<b>763.89</b>	<b>357.60</b>
Add: Other bank balances	83.25	39.80
Add: Balances earmarked / under bank lien	0.35	1.87
<b>Cash and bank balances at the end of the year</b>	<b>847.49</b>	<b>399.27</b>

**Note:**

- Cash and Cash equivalents at the end of the year includes fixed deposit of ₹ 450.00 million (Nil) and balance in current account of ₹ 24.98 million (Nil) being unutilised proceeds of Rights Issue.
- Previous year's figures are regrouped, rearranged or recast, wherever considered necessary to conform to current year's classification.

As per our attached report of even date

**For MGB & Co. LLP**

Chartered Accountants

Firm Registration No. 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership No. 107832

Mumbai, 24 May 2016

For and on behalf of the Board

**Surjit Banga**

Non-Executive Chairman

**Dinesh Garg**

Chief Financial Officer

**Rajendra Kumar Arora**

Executive Director and CEO

**Pushpal Sanghavi**

Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1 A Basis of preparation of Consolidated financial statements

These consolidated financial statements have been prepared under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

### B Principles of Consolidation

- The Consolidated Financial Statements (CFS) relate to Zee Media Corporation Limited and its subsidiary companies and associate.
- The consolidation of financial statements of the holding company and its subsidiaries is done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group transactions, unrealized inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders' proportionate share of the net assets and net income.
- The CFS are prepared using uniform accounting policies for transactions and other events in similar circumstances, except in the case of two subsidiaries wherein the inventories of newsprint, ink and plates are valued at lower of cost or net estimated realisable value and cost is determined on First In First Out basis as against weighted average followed by the Group. This inventory represents 77.73% (previous year 51.40%) of total inventory of the Group as at the year end. No adjustment has been made for such policy differences.
- The CFS includes the Financial Statements of the holding company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power	Country of Incorporation
<b>Direct Subsidiaries</b>		
Zee Akaash News Private Limited (ZANPL)	60.00% (60.00%)	India
Mediavest India Private Limited (MIPL)*	100.00% (100.00%)	India
Pri-Media Services Private Limited (PMSPL)*	100.00% (100.00%)	India
Maurya TV Private Limited (MTPL)@	100.00% (100.00%)	India
<b>Indirect Subsidiaries</b>		
Diligent Media Corporation Limited (DMCL)*#	99.99% (99.99%)	India

\* The Financial Statements have been prepared on going concern basis, despite erosion of net worth, based on financial support extended / assured by the respective holding company.

# 89,095,342 equity shares held out of total 89,095,542 equity shares.

@ Subsidiary w.e.f. 12 December, 2014.

### (e) Associate

The Group has adopted and accounted for Investment in associate, using the "Equity Method" as per AS - 23 - Accounting for Investments in Associates in Consolidated Financial Statements issued by ICAI.

Name of the Associate	Extent of Holding	Country of Incorporation
Maurya TV Private Limited *	37.87%	India

\* Acquired with effect from 7 October, 2013 and ceased to be an associate with effect from 12 December, 2014. The associate is consolidated based on management accounts for the period ended 11 December, 2014.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 2 Significant Accounting Policies

### A Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, on the date of the financial statements and the reported amount of revenue and expenses for the year. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

### B Fixed assets

#### a) Goodwill / Capital Reserve on Consolidation

Goodwill on Consolidation represents the difference between the Group's share in the net worth of the subsidiary / associate and the cost of acquisition at the date on which the investment in the subsidiary / associate is made / acquired. Capital reserve represents negative goodwill arising on consolidation.

#### b) Tangible Fixed Assets

(i) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

(ii) Capital work in progress comprises cost of fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

(iii) Leasehold land is stated at cost including lease premium paid.

#### c) Intangible Fixed Assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets - channels includes expenses incurred on development of new television channels till the time it is ready for commercial launch.

### C Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur.

### D Impairment of tangible and intangible assets

At each Balance Sheet date, the Group reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### E Depreciation / Amortization on tangible / intangible assets

a) Depreciable amount for tangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets is provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Assets	Management's Estimate of Useful Life
Factory Building	35 Years
Plant and Machinery (Studio equipments – Linear)	10 Years
Plant and Machinery (Studio equipments – Non-Linear)	5 Years
Plant and Machinery (Print business)	16 Years
Plant and Machinery (IRD Boxes)	1 Year

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- b) Leasehold improvements and premium paid on leasehold land are amortised over the period of lease.
- c) No part of goodwill arising on consolidation is amortised.
- d) Intangible assets are amortised on straight line basis over their respective individual useful life estimated by the management.

## F Investments

- a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- b) Current investments are stated at lower of cost and fair market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.

## G Transactions in foreign currencies

- a) Foreign currency transactions are accounted at the exchange rates prevailing on the date of such transactions.
- b) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.
- c) Non-monetary foreign currency items are carried at cost.

## H Revenue recognition

- a) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognized on time basis on the provision of television broadcasting service to subscribers or as per the agreed terms.  
Advertisement revenue (net of commission) related to printing segment is recognised when the related advertisement is published.
- b) Sales (including television programs and newspapers) are recognized when the significant risks and rewards have been transferred to the customers and is net of sales returns.
- c) Revenue from printing job, royalty income, syndication revenue and revenue from other services is recognized as and when such services are completed / performed.
- d) Dividend income is recognized when the right to receive dividend is established.
- e) Interest income is recognized on a time proportion basis taking into account amount outstanding and the applicable interest rate.

## I Inventories

- a) Television programs (completed, under production, available for sale) are stated at lower of cost/ unamortized cost or net realizable value. Cost comprises acquisition / direct production costs and other allocated production overheads. Where the realizable value on the basis of its estimated useful life is less than its carrying amount, the difference is expensed as impairment. Programs are expensed / amortized as under:
  - i) Programs- news / current affairs / chat shows / events etc are fully expensed on telecast.
  - ii) Programs (other than (i) above) are amortized over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.
- b) Raw Stock – Tapes are valued at lower of cost or estimated net realizable value. Cost is taken on weighted average basis.
- c) Raw Materials - Newsprint, Ink and Plates are valued at lower of cost or net realizable value. Cost is determined on First In First Out basis.
- d) Scrap and Waste Paper Stock is valued at net estimated realisable value.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- e) Stores and Spares are valued at lower of average cost or net realizable value.

## **J Retirement and other employee benefits**

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss in the year in which the service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- c) Payment to defined contribution retirement benefit schemes are recognised as an expense in the Statement of Profit and Loss, when due.

## **K Accounting for taxes on income**

- a) Current Tax is determined as the amount of tax payable on the taxable income as per the provisions of the Income Tax Act, 1961.
- b) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years and measured using relevant enacted tax rates and laws.

## **L Leases**

### **a) Finance lease**

Assets acquired under finance lease are capitalized and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognized with the asset under lease.

### **b) Operating lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments / revenue under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

## **M Earnings per share**

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

## **N Provisions, Contingent liabilities and Contingent assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are revised at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>3</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	1,700,000,000 (1,700,000,000) Equity Shares of ₹ 1 each	1,700.00	1,700.00
		<b>1,700.00</b>	<b>1,700.00</b>
	<b>Issued, Subscribed and Paid up</b>		
	470,789,505 (362,145,773) Equity Shares of ₹ 1 each fully paid up	470.79	362.15
	<b>Total</b>	<b>470.79</b>	<b>362.15</b>

a) **Reconciliation of number of Equity shares and Share capital**

	2016		2015	
	Number of equity shares	₹ million	Number of equity shares	₹ million
At the beginning of the year	362,145,773	362.15	239,763,956	239.76
Add: Issued pursuant to the Scheme of Amalgamation (Refer Note 36)	-	-	122,381,817	122.39
Add: Rights Issue during the year (Refer Note 35)	108,643,732	108.64	-	-
<b>Outstanding at the end of the year</b>	<b>470,789,505</b>	<b>470.79</b>	<b>362,145,773</b>	<b>362.15</b>

b) **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of Shareholders holding more than 5 percent of the aggregate shares in the Company:**

Name of Shareholder	2016		2015	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
25FPS Media Private Limited	166,268,323	35.32%	127,898,710	35.32%
Arm Infra and Utilities Limited	159,072,726	33.79%	122,363,636	33.79%

As per the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) The Company has not issued any bonus shares or bought back any shares during five years preceding 31 March, 2016. Details of aggregate number of shares issued for consideration other than cash during five years preceding 31 March, 2016:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2016	2015
Equity shares allotted as fully paid for consideration other than cash pursuant to the Scheme of Amalgamation	122,381,817	122,381,817

- e) The Company has instituted an Employee Stock Option Plan (ZNL ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 and amended from time to time for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Company as at 31 March, 2009 i.e. up to 11,988,000 equity shares of ₹ 1 each, to the employees of the Company as well as that of its subsidiaries and also to the directors (excluding an independent director) of the Company at the market price determined as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The said Scheme is administered by the Nomination and Remuneration Committee of the Board. The Company has not granted any options till 31 March, 2016.

		₹ million	
		2016	2015
<b>4</b>	<b>Reserves and Surplus</b>		
	<b>Capital Reserve</b>		
	As per last Balance Sheet	1,790.68	96.79
	Add: Adjustment pursuant to the Scheme of Amalgamation (Refer Note 36)	-	1,671.62
	Add: Allotment of preference shares pursuant to the Scheme of Arrangement for demerger	-	22.27
		<b>1,790.68</b>	<b>1,790.68</b>
	<b>Securities Premium</b>		
	As per last Balance Sheet	76.50	76.50
	Add: On Equity Shares issued under the Rights Issue (Refer Note 35)	1,846.94	-
	Less: Rights Issue Expenses (Refer Note 35)	30.65	-
		<b>1,892.79</b>	<b>76.50</b>
	<b>General Reserve</b>		
	As per last Balance Sheet	112.72	103.97
	Add: Appropriated during the year	-	8.75
		<b>112.72</b>	<b>112.72</b>
	<b>Surplus in the Statement of Profit and Loss</b>		
	As per last Balance Sheet	1,265.47	1,794.08
	Less: Adjustment for depreciation as per transitional provisions*	-	63.52
	Add: Deferred tax on depreciation as above #	-	21.62
	Add: Profit / (Loss) for the year	(69.19)	(466.51)
	Less: Transferred to General Reserve	-	8.75
	Less: Tax on interim dividend	-	11.45
	Less: Proposed dividend on Equity Shares	70.62	-
	Less: Tax on dividend on Equity Shares	14.38	-
		<b>1,111.28</b>	<b>1,265.47</b>
	<b>Total</b>	<b>4,907.47</b>	<b>3,245.37</b>

\* Net of minority interest on depreciation of Nil (₹ 1.35 million).

# Net of minority interest on deferred tax Nil (₹ 0.46 million).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ million

	Non-Current		Current	
	2016	2015	2016	2015
<b>5 Long-Term Borrowings - Secured</b>				
Redeemable non-convertible debentures (Refer (a) below)	2,500.00	-	-	-
Term loan from banks (Refer (b) below)	632.00	2,753.90	96.00	206.45
Vehicle loans (Refer (c) below)				
- from Banks	12.27	5.20	9.01	3.60
- from Others	-	0.69	0.69	1.26
	<b>3,144.27</b>	<b>2,759.79</b>	<b>105.70</b>	<b>211.31</b>
Less: Amount disclosed under "Other Current Liabilities" (Refer Note 9)	-	-	105.70	211.31
<b>Total</b>	<b>3,144.27</b>	<b>2,759.79</b>	<b>-</b>	<b>-</b>

- a) During the year, a subsidiary has issued unlisted, rated, redeemable non-convertible debentures (NCDs) on private placement basis at face value of ₹ 10 million each, redeemable at a premium of such amount which gives the Debentures holder an IRR of 11.90% (premium payable at maturity (as per table below)). The said NCDs are secured on pari-passu basis by way of hypothecation over movable fixed and current assets located at the subsidiary's plants at Mahape and Navi Mumbai and over monies lying to the credit of the designated account of the subsidiary and any investment made therefrom and also corporate guarantee of the Company. In view of loss incurred during the year, no amount has been transferred to debenture redemption reserve.

₹ million

Series	Series A	Series B	Series C	Total
Total Amount	500.00	750.00	1,250.00	<b>2,500.00</b>
<b>Without Put and/or Call Option</b>				
Maturity	June 30, 2020	June 30, 2020	June 30, 2020	
Redemption Premium	377.78	566.68	944.46	<b>1,888.92</b>
Principal Redemption	500.00	750.00	1,250.00	<b>2,500.00</b>
<b>With Put and/or Call Option</b>				
Maturity	June 30, 2018	June 30, 2019	Not Applicable	
Redemption Premium	200.80	426.29		
Principal Redemption	500.00	750.00		

- b) Term loan from banks
- i) Term loan from banks ₹ 728.00 million (₹ 800.00 million) is secured by way of first hypothecation charge on entire movable fixed assets except vehicles. The loan carries interest @ 11.55 % p.a. payable monthly and is repayable in 21 quarterly installments commencing from October 2015.
- ii) Term loan from banks Nil (₹ 2,151.05 million) was secured by way of first pari passu charge over fixed assets (including leasehold land, building, plant and machinery) and second pari passu charge on all the current assets, receivables of the respective subsidiary company and corporate guarantee provided by the Company. The loan was carrying interest rate ranging from 13.00% to 13.75 % p.a. payable monthly and was repayable in quarterly instalments commencing from financial year 2014-15 and ending in financial year 2020-21. The said loans have been prepaid during the year.
- iii) Term loan from banks Nil (₹ 9.30 million) was secured by way of hypothecation charge on the entire current assets including stock and other assets both present and future and equitable mortgage / hypothecation of entire immovable fixed assets including land and building, plant and machinery, both present and future. The loan was

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

guaranteed by the erstwhile directors of the subsidiary. The loan carried interest @ 13.25% p.a. payable monthly and the outstanding loan was repayable in 4 quarterly installments, repayable by January 2016.

- c) Vehicle loans from banks and others are secured by way of hypothecation of vehicles, carries interest ranging from 8.90% to 12.25% p.a. and repayable upto November 2018.

		₹ million	
		2016	2015
<b>6</b>	<b>Other Long-Term Liabilities</b>		
	Premium payable on redemption of debentures	224.34	-
	Unearned revenue	4.33	9.44
	Trade deposits received	8.80	11.00
	Employee benefits payable	12.76	9.77
	<b>Total</b>	<b>250.23</b>	<b>30.21</b>

		₹ million			
		Long-Term		Short-Term	
		2016	2015	2016	2015
<b>7</b>	<b>Provisions</b>				
	Provision for employee benefits:				
	- Gratuity	116.19	103.73	14.56	8.32
	- Leave benefits	61.40	57.23	12.30	8.23
	Others				
	- Proposed dividend on Equity Shares including tax	-	-	85.00	-
	- Provision for taxation (net of advances)	-	-	23.55	7.77
	<b>Total</b>	<b>177.59</b>	<b>160.96</b>	<b>135.41</b>	<b>24.32</b>

		₹ million	
		2016	2015
<b>8</b>	<b>Short-Term Borrowings</b>		
	<b>Secured:</b>		
	Cash credit from banks (Refer Note (a) and (b) below)	371.10	654.10
	Working capital loan from bank (Refer Note (c) below)	-	200.00
		<b>371.10</b>	<b>854.10</b>
	<b>Unsecured:</b>		
	Inter corporate deposit (repayable on demand)	-	777.60
		-	<b>777.60</b>
	<b>Total</b>	<b>371.10</b>	<b>1,631.70</b>

- (a) Cash credit from bank ₹ 371.10 million (₹ 320.74 million) is secured by way of pari passu hypothecation charge on entire current assets and collaterally secured by first hypothecation charge on entire movable fixed assets except vehicles.
- (b) Cash credit from bank Nil (₹ 333.36 million) taken by subsidiary is secured by first pari passu charge on all the current assets and receivables and second pari passu charge on all the fixed assets including plant and machinery of the subsidiary, both present and future, and collaterally secured by corporate guarantee of the Company.
- (c) Working capital loan from bank Nil (₹ 200.00 million) is secured by way of pari passu hypothecation charge on entire current assets and entire movable fixed assets except vehicles.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ million

	2016	2015
<b>9 Current Liabilities</b>		
<b>Trade Payables</b>	393.61	337.78
	<b>393.61</b>	<b>337.78</b>
<b>Other Current Liabilities</b>		
Current maturities of long-term borrowings (Refer Note 5)	105.70	211.31
Interest accrued but not due on borrowings	7.53	42.54
Unearned revenue	84.46	96.75
Advance received from customers	195.60	112.46
Deposits received from distributors	13.99	9.37
Creditors for capital expenditure	25.59	6.80
Book overdraft	-	1.63
Unclaimed dividends <sup>^</sup>	0.35	0.68
Statutory dues payable	72.47	79.79
Other payables	574.90	724.82
	<b>1,080.59</b>	<b>1,286.15</b>
<b>Total</b>	<b>1,474.20</b>	<b>1,623.93</b>

<sup>^</sup> There are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March, 2016.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 10. Fixed Assets

₹ million

Description of Assets	Gross Block					Depreciation/Amortisation					Net Block			
	As at 1 April, 2015	Additions pursuant to the Scheme (Refer Note 36)	Additions pursuant to the acquisition of subsidiary	Deductions	As at 31 March, 2016	Upto 31 March, 2015	Additions pursuant to the Scheme (Refer Note 36)	Additions pursuant to the acquisition of subsidiary	Reserve adjustment <sup>b</sup>	For the year	Deductions	Upto 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
<b>Tangible Assets</b>														
Freehold Land	153.70	-	15.79	-	169.49	-	-	-	-	-	-	-	169.49	153.70
Leasehold Land	1,101.17	-	-	-	1,101.17	27.87	-	-	13.40	-	-	41.27	1,059.90	1,073.30
Buildings	675.21	-	56.78	-	731.99	43.25	-	-	18.25	-	-	61.50	670.49	631.96
Plant and Machinery	3,224.88	-	105.55	378.15	2,932.28	804.21	-	-	325.65	-	117.66	1,012.20	1,940.08	2,420.67
Equipments	88.95	-	29.58	1.35	117.18	59.79	-	-	12.25	-	1.08	70.96	46.22	29.16
Computers	225.33	-	38.44	9.50	254.27	153.71	-	-	36.66	-	9.29	181.08	73.19	71.62
Furniture and Fixtures	52.96	-	9.48	4.30	58.14	29.23	-	-	7.73	-	3.30	33.66	24.48	23.73
Vehicles	69.97	-	20.69	24.68	65.98	25.10	-	-	10.11	-	15.77	19.44	46.54	44.87
Leasehold Improvements	78.48	-	6.60	-	85.08	45.25	-	-	19.87	-	-	65.12	19.96	33.23
<b>Total</b>	<b>5,670.65</b>	<b>-</b>	<b>282.91</b>	<b>417.98</b>	<b>5,535.58</b>	<b>1,188.41</b>	<b>-</b>	<b>-</b>	<b>443.92</b>	<b>-</b>	<b>147.10</b>	<b>1,485.23</b>	<b>4,050.35</b>	<b>4,482.24</b>
<b>Previous Year</b>	<b>1,798.31</b>	<b>3,663.93</b>	<b>123.23</b>	<b>207.23</b>	<b>5,670.65</b>	<b>500.82</b>	<b>208.57</b>	<b>49.01</b>	<b>64.87</b>	<b>465.98</b>	<b>100.84</b>	<b>1,188.41</b>	<b>4,482.24</b>	
<b>Intangible Assets</b>														
Goodwill on Consolidation	1,751.60	-	-	-	1,751.60	-	-	-	-	-	-	-	1,751.60	1,751.60
Technical Knowhow	239.45	-	-	-	239.45	239.45	-	-	-	-	-	239.45	-	-
Computer Software	181.15	-	6.20	1.04	186.31	119.17	-	-	39.32	-	0.98	157.51	28.80	61.97
<b>Total</b>	<b>2,172.20</b>	<b>-</b>	<b>6.20</b>	<b>1.04</b>	<b>2,177.36</b>	<b>358.62</b>	<b>-</b>	<b>-</b>	<b>39.32</b>	<b>0.98</b>	<b>0.98</b>	<b>396.96</b>	<b>1,780.40</b>	<b>1,813.57</b>
<b>Previous Year</b>	<b>189.72</b>	<b>1,967.98</b>	<b>26.83</b>	<b>20.29</b>	<b>2,172.20</b>	<b>108.92</b>	<b>239.45</b>	<b>3.74</b>	<b>0.00</b>	<b>38.88</b>	<b>32.37</b>	<b>358.62</b>	<b>1,813.58</b>	
<b>Capital Work-in-Progress</b>													<b>120.08</b>	<b>38.74</b>

### Note:

- Effective 1 April 2015, the Company has changed its method of accounting in respect of expenses incurred on development of new television channels till the time it is ready for commercial launch as Intangible assets, as permitted under AS 26, instead of charging it to statement of profit and loss. Accordingly, ₹ 18.67 million of development expenditure has been capitalized during the period. Had the Company continued to use the earlier method of accounting, the profit after tax for the current period would have been lower by ₹ 12.21 million.
- With effect from 1 April, 2014, the Company has revised the useful life of some of its fixed assets to comply with the useful life as prescribed by Schedule II to the Companies Act, 2013. The carrying amount of the asset as on the date, (i.e., 1 April, 2014) has to be depreciated over the remaining prescribed useful life of the asset. Consequently, the depreciation charge of ₹ 63.52 million (net of minority interest of ₹ 1.35 million) representing the written down value of fixed assets whose lives have expired as at 1 April, 2014 and deferred tax thereon of ₹ 21.62 million (net of minority interest of ₹ 0.46 million) have been adjusted in surplus in the Statement of Profit and Loss. Previous year depreciation on tangible and intangible assets includes this depreciation of ₹ 64.87 million and ₹ 0 million (₹ 2,662) respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>11</b>	<b>Non-Current Investments</b>		
	<b>i) Trade Investments</b> (Equity shares of ₹ 10 each, fully paid up) - Unquoted		
	<b>In Others</b>		
	435,000 (435,000) of Akash Bangla Private Limited	60.90	60.90
	Less: Provision for diminution in value of investment	60.90	60.90
		-	-
	<b>ii) Non Trade Investments</b>		
	In Preference Shares: Nil (2,22,73,836) 6% Non-cumulative Redeemable Non-Convertible Preference shares of ₹ 1 each fully paid up of Zee Entertainment Enterprises Limited	-	22.27
	<b>Total</b>	-	<b>22.27</b>
	Aggregate amount of unquoted Investments	60.90	83.17
	Diminution in value of investments	60.90	60.90

		₹ million	
		2016	2015
<b>12</b>	<b>Deferred Tax Assets (net)</b>		
	The components of deferred tax balances as at March 31 are as under:		
	<b>Deferred Tax Assets</b>		
	Depreciation/Amortisation	55.92	22.65
	Arising on account of timing difference in employee retirement benefits	70.19	60.96
	Allowable on payment basis	7.16	2.50
	Provision for doubtful debts and advances	19.01	13.48
	Unabsorbed tax losses and depreciation	1,211.50	1,050.48
	Fiscal allowances	1.89	2.52
	Others	1.40	0.24
		<b>1,367.07</b>	<b>1,152.83</b>
	<b>Deferred Tax Liabilities</b>		
	Depreciation/Amortisation	131.83	130.35
		<b>131.83</b>	<b>130.35</b>
	<b>Deferred Tax Assets (net)</b>	<b>1,235.24</b>	<b>1,022.48</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ million

	Long-Term		Short-Term	
	2016	2015	2016	2015
<b>13 Loans and Advances</b>				
(unsecured, considered good unless otherwise stated)				
<b>Capital advances</b>				
Related parties	-	1.89	-	-
Others	331.57	64.10	-	-
	<b>331.57</b>	<b>65.99</b>	<b>-</b>	<b>-</b>
<b>Deposits</b>				
Related parties	-	-	-	-
Others: Considered good	27.30	76.08	56.40	15.81
Considered doubtful	0.09	-	1.30	1.21
	27.39	76.08	57.70	17.02
Less: Provision for doubtful deposits	0.09	-	1.30	1.21
	<b>27.30</b>	<b>76.08</b>	<b>56.40</b>	<b>15.81</b>
<b>Loans and advances to related parties</b>				
Loans	-	-	1.40	1.40
Other advances : Considered good	-	-	26.27	16.45
	<b>-</b>	<b>-</b>	<b>27.67</b>	<b>17.85</b>
<b>Other loans and advances</b>				
Loan - employee	-	3.35	3.35	5.51
Loan - others	-	-	300.00	-
Advances				
- considered good	-	-	528.91	319.92
- considered doubtful	2.34	2.34	1.62	1.58
	2.34	5.69	833.88	327.01
Less: Provision for doubtful advances	2.34	2.34	1.62	1.58
	<b>-</b>	<b>3.35</b>	<b>832.26</b>	<b>325.43</b>
Prepaid expenses	0.75	1.71	90.52	11.30
Balances with Government authorities				
Advance direct tax (net of provisions)	309.37	271.16	-	12.63
Advance indirect taxes	-	0.58	75.60	70.93
<b>Total</b>	<b>668.99</b>	<b>418.87</b>	<b>1,082.45</b>	<b>453.95</b>

\* Includes ₹ 29.25 million (₹ 29.15 million) for immovable property acquired for sale.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ million

	Non-Current		Current	
	2016	2015	2016	2015
<b>14 Other Assets</b>				
(Unsecured, considered good)				
Unamortised share issue expenses (Refer Note 35)	-	25.19	-	-
Balances with bank in deposit accounts* (Refer Note 17)	22.37	51.67	-	-
Interest accrued on - Bank deposits	5.65	5.40	5.26	-
- Loan to related parties	-	-	6.17	6.00
Dividend receivables - from related parties	-	-	-	0.68
Other receivables				
- Related parties	-	-	2.73	0.23
- Others - considered good	-	-	2.20	9.81
- Others - considered doubtful	-	-	1.17	-
	28.02	82.26	17.53	16.72
Less: Provision for doubtful receivables - from others	-	-	1.17	-
<b>Total</b>	<b>28.02</b>	<b>82.26</b>	<b>16.36</b>	<b>16.72</b>

\* Pledged with statutory authorities / under banks' lien.

₹ million

	2016	2015
<b>15 Inventories</b>		
Raw stock - tapes	0.49	0.71
Raw Materials		
- Newsprint	46.92	19.55
- Ink	3.17	4.01
- Plates	1.40	1.92
Scrap and waste papers	0.05	-
Consumables, stores and spares	14.21	23.39
<b>Total</b>	<b>66.24</b>	<b>49.58</b>

₹ million

	2016	2015
<b>16 Trade Receivables (unsecured)</b>		
Over six months		
considered good	95.29	75.42
considered doubtful	62.06	47.08
Others		
considered good	1,082.14	1,067.35
considered doubtful	-	-
	1,239.49	1,189.85
Less: Provision for doubtful debts	62.06	47.08
<b>Total</b>	<b>1,177.43</b>	<b>1,142.77</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ million

	Non-Current		Current	
	2016	2015	2016	2015
<b>17 Cash and Bank Balances</b>				
<b>Cash and Cash Equivalents</b>				
Balances with banks				
- in current accounts*	-	-	313.34	326.58
- in deposit with maturity upto 3 months**	-	-	450.00	-
Cheques in hand	-	-	-	30.10
Cash in hand	-	-	0.55	0.92
	-	-	<b>763.89</b>	<b>357.60</b>
<b>Other Bank Balances</b>				
Balances with banks				
Deposits with maturity for more than 3 months but less than 12 months#	-	-	53.25	39.80
Deposits with maturity more than 12 months	22.37	51.67	30.00	-
Share application money collection accounts (Refer Note 35)	-	-	-	1.19
In Unclaimed dividend accounts	-	-	0.35	0.68
	22.37	51.67	83.60	41.67
Less: Amount disclosed under the head "Other Assets" (Refer Note 14)	22.37	51.67	-	-
	-	-	<b>83.60</b>	<b>41.67</b>
<b>Total</b>	-	-	<b>847.49</b>	<b>399.27</b>

\*Includes unutilised proceeds of Rights Issue amounting to ₹ 24.98 million (Nil).

\*\*Represents unutilised proceeds of Rights Issue.

#Includes deposits under bank lien ₹ 42.05 million (Nil).

₹ million

	2016	2015
<b>18 Revenue from Operations</b>		
Services :		
Broadcasting revenue		
Advertisement	3,299.94	3,105.50
Subscription	914.40	1,000.45
Print business revenue		
Advertisement revenue	711.19	833.30
Syndication revenue	8.52	20.03
Revenue from printing job work	189.88	195.10

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ million	
	2016	2015
Sales :		
Television programs	128.69	115.33
Sale of news papers	109.51	134.97
Other operating income :		
Sale of waste and scrap	21.71	29.93
Royalty income	8.32	7.95
Other income	37.00	0.77
<b>Total</b>	<b>5,429.16</b>	<b>5,443.33</b>

	₹ million	
	2016	2015
<b>19 Other Income</b>		
Interest Income		
from bank deposits	36.75	6.77
from loans	29.90	6.03
from income tax refund	-	6.56
from others	1.88	9.81
Dividend Income		
On non-current investments	1.06	0.68
Rent received	9.79	11.31
Liabilities / excess provisions written back	93.92	52.42
Gain on exchange difference (net)	0.36	-
Miscellaneous Income	1.95	0.84
<b>Total</b>	<b>175.61</b>	<b>94.42</b>

	₹ million	
	2016	2015
<b>20 Cost of Raw Material Consumed</b>		
Inventory at the start of the year*		
Newsprint	19.55	12.70
Ink	4.01	2.85
Plates	1.92	1.59
<b>Total (A)</b>	<b>25.48</b>	<b>17.14</b>
Add : Purchases of raw materials		
Newsprint	395.84	448.11
Ink	41.84	54.47
Plates	26.42	31.43

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		2016	2015
		₹ million	
	<b>Total (B)</b>	<b>464.10</b>	<b>534.01</b>
	Less: Inventory at the end of the year		
	Newsprint	46.92	19.55
	Ink	3.17	4.01
	Plates	1.40	1.92
	<b>Total (C)</b>	<b>51.49</b>	<b>25.48</b>
	Cost of raw materials consumed		
	Newsprint	368.47	441.26
	Ink	42.68	53.31
	Plates	26.94	31.10
	<b>Total (A + B - C)</b>	<b>438.09</b>	<b>525.67</b>

\*Previous year figure represents inventory acquired pursuant to the Scheme of Amalgamation (Refer Note 36)

		2016	2015
		₹ million	
<b>21</b>	<b>(Increase) / Decrease in Inventories</b>		
	<b>Scrap and waste papers</b>		
	Inventory at the beginning of the year	-	-
	Less: Inventory at the end of the year	0.05	-
	<b>(Increase) / Decrease in Inventories</b>	<b>(0.05)</b>	<b>-</b>

		2016	2015
		₹ million	
<b>22</b>	<b>Operational Cost</b>		
	Television Programs - Production/ acquisition cost		
	Program purchased	-	58.31
	Raw tapes consumed	2.66	2.91
	Consultancy and professional charges	187.93	221.71
	News subscription fees	31.69	38.79
	Vehicle running, maintenance and hire charges	85.11	84.75
	Travelling and conveyance expenses	48.34	44.21
	Lease-line and V-sat expenses	76.12	75.82
	Hire charges	50.92	42.47
	Other production expenses	149.13	122.34
		<b>631.90</b>	<b>691.31</b>
	Telecast cost	158.88	153.39
	Channel management fee	0.06	91.14

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		₹ million	
		2016	2015
	Packing material and other material consumed	29.50	29.29
	News collection expenses	33.30	47.36
	Direct labour charges	15.67	14.26
	Stores and spares consumed	6.57	8.08
	Other production expenses	14.81	18.47
	<b>Total</b>	<b>890.69</b>	<b>1,053.30</b>

Note : Television programs of Nil (₹ 7.11 Million) are impaired during the year.

		₹ million	
		2016	2015
<b>23</b>	<b>Employee benefits expense</b>		
	Salaries and allowances	1,330.85	1,446.48
	Contribution to provident and other funds	84.09	97.91
	Staff welfare expenses	56.60	57.33
	Staff recruitment and training expenses	2.01	4.86
	<b>Total</b>	<b>1,473.55</b>	<b>1,606.58</b>

		₹ million	
		2016	2015
<b>24</b>	<b>Finance costs</b>		
	Interest - on loans	197.57	524.10
	- on others	5.39	1.09
	Premium on redemption of debentures	224.34	-
	Bank and other financial charges	14.24	1.09
	<b>Total</b>	<b>441.54</b>	<b>526.28</b>

		₹ million	
		2016	2015
<b>25</b>	<b>Depreciation and amortisation expense</b>		
	Depreciation on tangible assets	443.92	465.98
	Amortisation on intangible assets	39.32	38.88
	<b>Total</b>	<b>483.24</b>	<b>504.86</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		₹ million	
		2016	2015
<b>26</b>	<b>Other expenses</b>		
	Rent	188.23	158.53
	Rates and taxes	11.08	25.28
	Repairs and maintenance - Building	5.21	2.78
	- Plant and machinery	54.59	34.50
	- Other	59.42	62.37
	Insurance	4.47	4.66
	Electricity and water charges	120.18	123.56
	Communication charges	38.72	40.10
	Printing and stationary expenses	10.46	10.74
	Travelling and conveyance expenses	132.30	136.79
	Legal and professional charges	191.31	142.00
	Payment to auditors (Refer Note 32)	5.63	7.19
	Corporate social responsibility expenses	5.45	7.20
	Donation	1.00	0.04
	Hire and service charges	61.01	52.16
	Miscellaneous expenses	22.25	24.22
	Marketing, distribution, business promotion expenses	665.86	686.53
	Advertisement and publicity expenses	48.00	136.57
	Circulation scheme promotion expenses (net)	125.12	120.96
	Commission/ discount on services	59.92	63.67
	Bad debts / advances written off	4.64	19.39
	Provision for doubtful debts and advances	16.36	(0.57)
	Loss on sale/discard of fixed assets (net)	17.82	17.40
	Loss on exchange difference (net)	-	0.05
	<b>Total</b>	<b>1,849.03</b>	<b>1,876.12</b>

		₹ million	
		2016	2015
<b>27</b>	<b>Exceptional items</b>		
	Loss on sale of fixed assets	61.51	-
	<b>Total</b>	<b>61.51</b>	<b>-</b>

## 28 Operating Lease

The Group has taken office premises, residential premises and plant and machinery (including equipments) etc. under cancellable/non-cancellable lease agreements, that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease period is generally for 11 to 120 months.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ million	
	2016	2015
Lease rental charges for the year	281.71	260.62
<b>Future lease rental obligation payable (under non-cancellable leases)</b>		
Not later than one year	191.95	87.59
Later than one year but not later than five years	203.55	109.50

**29 Contingent Liabilities not provided for**

	₹ million	
	2016	2015
Custom duty pending export obligations	24.20	24.20
Disputed direct taxes ^	121.70	1,976.82
Disputed indirect taxes	142.63	142.63
Bank guarantees issued by bank	60.00	-
Letter of credit issued by bank	20.22	-
Legal cases against the Company *	Not ascertainable	Not ascertainable

^ Income tax demands mainly include appeals filed by the Group before various appellate authorities against the disallowance of expenses / claims / non-deduction / short deduction of tax at source etc. The Management is of the opinion that its tax cases will be decided in its favour and hence no provision is considered necessary at this stage.

\* The Group has received legal notices of claims / law suits filed against it relating to infringement of copy rights, defamation suits etc. in relation to programs telecasted / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

**30 Capital and other Commitments**

	₹ million	
	2016	2015
a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	371.17	68.61
b) Commitments in respect of News-print purchase	83.49	5.26

**31 Related Party Transactions****(i) List of Parties where control exists:****Direct Subsidiary :**

- Zee Akaash News Private Limited (extent of holding 60%),
- Mediavest India Private Limited (extent of holding 100%)
- Pri - Media Services Private Limited (extent of holding 100%)
- Maurya TV Private Limited (extent of holding 100% w.e.f. 12 December, 2014)

**Indirect Subsidiary :**

- Diligent Media Corporation Limited (Mediavest India Private Limited holds 99.99%) (89,095,342 equity shares held out of a total of 89,095,542 equity shares)

**Associate:**

- Maurya TV Private Limited (extent of holding 37.87% up to 11 December, 2014)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## (ii) Other Related Parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

24 Ghantalu News Limited, ATL Media Limited (formerly known as Asia Today Limited), Cyquator Media Services Private Limited, Dish TV India Limited, Digital Subscriber Management and Consultancy Services Private Limited, Essel Business Excellence Services Private Limited, Essel Corporate Resources Private Limited, Essel Shyam Communication Limited, Essel Finance Portfolio Managers Private Limited, Essel Finance Capstar Advisory Limited, Essel Finance Management LLP, Essel Vision Production Limited, Essel Finance VKC Forex Limited, Jay Properties Private Limited, India Webportal Private Limited, Media Pro Enterprise India Private Limited, Pan India Network Limited, Pan India Network Infravest Pvt Ltd, Siti Cable Network Limited, Smart Wireless Private Limited, Shirpur Gold Refinery Limited, Sprit Textiles Private Limited, Taj Television (India) Private Limited, Tapasvi Mercantile Private Limited, Zee Entertainment Enterprises Limited, Zee Foundation, Zee Learn Limited, Zee Sports Limited, Zee Turner Limited, Zee Digital Convergence Limited, Zee Telefilms Middle East FZ LLC.

### Key Management Personnel

#### Directors

Dr. Subhash Chandra (Non-Executive Chairman), Shri Alok Agrawal (up to 12 May, 2014), Shri Ashish Kirpal Pandit (w.e.f. 01 June, 2015 up to 12 October, 2015)

## (iii) Transactions with Related Parties:

	₹ million	
	2016	2015
<b>(A) Transactions :</b>		
<b>(i) With Associate</b>		
<b>- Maurya TV Private Limited</b>		
Channel management fees paid	-	91.14
Other operational expenses	-	3.02
<b>(ii) With Key Management Personnel</b>		
<b>- Commission to non executive directors</b>	<b>0.30</b>	<b>0.20</b>
Dr. Subhash Chandra	0.30	0.20
<b>- Remuneration to key managerial personnel</b>	<b>3.81</b>	<b>2.65</b>
Shri Alok Agarwal	-	2.65
Shri Ashish Kirpal Pandit	3.81	-
<b>- Sitting fee</b>	<b>0.14</b>	<b>0.22</b>
Dr. Subhash Chandra	0.14	0.22
<b>(iii) With Other Related Parties:</b>		
<b>Revenue from broadcasting services</b>	<b>1,012.39</b>	<b>1,100.42</b>
Media Pro Enterprise India Private Limited	-	200.00
Taj Television (India) Private Limited	914.40	800.45
Other Related Parties	97.99	99.97
<b>Revenue from printing services</b>	<b>31.08</b>	<b>41.72</b>
India Web Portal Private Limited	8.13	19.84
Zee Entertainment Enterprises Limited	14.02	16.37

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ million	
	2016	2015
Zee Learn Limited	4.44	4.83
Siti Cable Network Limited	3.59	0.46
Other Related Parties	0.90	0.22
<b>Sale of television programs</b>	<b>128.04</b>	<b>115.33</b>
ATL Media Limited	128.04	115.33
<b>Other operating income</b>	<b>2.50</b>	<b>-</b>
Zee Digital Convergence Limited	2.50	-
<b>Sale of fixed assets</b>	<b>-</b>	<b>0.30</b>
Dish TV India Limited	-	0.30
<b>Interest income</b>	<b>0.19</b>	<b>6.67</b>
Sprit Textiles Private Limited	-	6.31
Tapasvi Mercantile Private Limited	-	0.19
24 Ghantalu News Limited	0.19	0.17
<b>Dividend received on preference shares</b>	<b>1.06</b>	<b>0.68</b>
Zee Entertainment Enterprises Limited	1.06	0.68
<b>Redemption of investment in preference shares</b>	<b>22.27</b>	<b>-</b>
Zee Entertainment Enterprises Limited	22.27	-
<b>Purchase of fixed assets / capital work in progress</b>	<b>7.16</b>	<b>1.79</b>
Zee Entertainment Enterprises Limited	-	1.79
Digital Subscriber Management and Consulting Private Limited	7.16	-
<b>Lease-line and V-Sat expenses</b>	<b>51.31</b>	<b>40.48</b>
Dish TV India Limited	32.48	21.65
Essel Shyam Communication Limited	18.83	18.83
<b>Telecast cost</b>	<b>98.15</b>	<b>102.57</b>
Dish TV India Limited	53.76	64.58
Zee Entertainment Enterprises Limited	36.79	35.69
Essel Shyam Communication Limited	7.60	2.30
<b>Rent paid</b>	<b>77.72</b>	<b>50.11</b>
Zee Entertainment Enterprises Limited	77.72	49.31
Other Related Parties	-	0.80
<b>Marketing, distribution and business promotion expenses</b>	<b>86.95</b>	<b>63.82</b>
Siti Cable Network Limited	33.63	36.05
Dish TV India Limited	42.00	27.77
Shirpur Gold Refinery Limited	11.32	-
<b>Advertisement and publicity expenses</b>	<b>2.25</b>	<b>2.50</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ million	
	2016	2015
Dish TV India Limited	-	0.60
Zee Entertainment Enterprises Limited	-	1.31
India Web Portal Private Limited	2.25	0.59
<b>Other services</b>	<b>173.41</b>	<b>83.98</b>
Essel Corporate Resources Private Limited	19.20	19.20
Zee Entertainment Enterprises Limited	59.51	60.43
Essel Business Excellence Services Private Limited	21.13	0.08
Zee Digital Convergence Limited	58.36	-
Other Related Parties	15.21	4.27
<b>Purchase of foreign currency</b>	<b>2.16</b>	<b>-</b>
Essel Finance VKC Forex Limited	2.16	-
<b>Investment in preference share</b>	<b>-</b>	<b>22.27</b>
Zee Entertainment Enterprises Limited	-	22.27
<b>Loans, advances and deposits given</b>	<b>-</b>	<b>268.61</b>
Sprit Textiles Private Limited	-	247.00
Other Related Parties	-	21.61
<b>Loans, advances and deposits repayment received</b>	<b>-</b>	<b>458.32</b>
Sprit Textiles Private Limited	-	391.69
Tapaswi Mercantile Private Limited	-	63.60
Other Related Parties	-	3.03
<b>Loans, advances and deposits received</b>	<b>-</b>	<b>355.35</b>
Tapaswi Mercantile Private Limited	-	355.35
<b>Loans, advances and deposits repaid</b>	<b>-</b>	<b>572.83</b>
Tapaswi Mercantile Private Limited	-	572.83
<b>Corporate Social Responsibility expenses / donation</b>	<b>3.85</b>	<b>7.20</b>
Zee Foundation	3.85	7.20
<b>Balances written back</b>	<b>-</b>	<b>0.07</b>
Zee Learn Limited	-	0.07
<b>(B) Balances at the end of the period:</b>		
<b>(i) With Key Management Personnel</b>		
<b>Commission payable to non executive director</b>	<b>0.30</b>	<b>0.20</b>
Dr. Subhash Chandra	0.30	0.20
<b>(ii) Other Related Parties</b>		
<b>Trade receivables</b>	<b>150.77</b>	<b>306.70</b>
ATL Media Limited	61.56	55.61

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ million	
	2016	2015
India Web Portal Private Limited	-	35.13
Taj Television India Private Limited	-	193.63
Dish TV India Limited	58.72	2.91
Other Related Parties	30.49	19.42
<b>Loans, advances and deposits given / other receivables</b>	<b>30.40</b>	<b>20.66</b>
Essel Business Excellence Services Private Limited	11.49	14.40
Zee Entertainment Enterprises Limited	4.54	0.79
Siti Cable Network Limited	7.86	0.23
Other Related Parties	6.51	5.24
<b>Interest receivable</b>	<b>6.17</b>	<b>6.00</b>
Sprit Textiles Private Limited	5.68	5.68
Other Related Parties	0.49	0.32
<b>Trade payables / other payables</b>	<b>261.66</b>	<b>117.60</b>
ATL Media Limited	32.48	30.70
Dish TV India Limited	88.78	44.07
Zee Entertainment Enterprises Limited	119.21	25.50
Other Related Parties	21.19	17.33
<b>Investment in preference shares</b>	<b>-</b>	<b>22.27</b>
Zee Entertainment Enterprises Limited	-	22.27
<b>Loan advances and deposits received</b>	<b>61.52</b>	<b>0.12</b>
Pan India Network Limited	0.15	0.12
Taj Television (India) Private Limited	61.12	-
Other Related Parties	0.25	-

**Note:**

- (i) Parties with transactions less than 10% of the group total are grouped under the head "Other Related Parties".
- (ii) Salaries, allowances and perquisites paid to key managerial personnel for the year excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis. Allowances and perquisites are valued as per the Income Tax Act, 1961.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 32 Payment to Auditors For Standalone

	₹ million	
	2016	2015
Audit fees	1.25	1.25
Tax audit fees	0.25	0.25
Certification work (including limited reviews)	0.60	0.82
Tax representation and other matters	0.63	0.70
Reimbursement of expenses including Swachh Bharat Cess	0.02	0.02
<b>Total ^</b>	<b>2.75</b>	<b>3.04</b>

^ excludes (i) service tax and (ii) fees for certification work for Rights Issue ₹ 2.52 million for the year ended 31 March, 2015, which is included in 'Unamortized Share issue expenses' (Refer Note 14).

### For Subsidiaries

	₹ million	
	2016	2015
Audit fees	1.84	1.78
Tax audit fees	0.32	0.31
Certification work (including limited reviews)	0.61	1.88
Tax representation and other matters	-	0.05
Reimbursement of expenses including Swachh Bharat Cess	0.11	0.13
<b>Total*</b>	<b>2.88</b>	<b>4.15</b>

\*The above figures are exclusive of service tax where credit is availed.

## 33 Foreign Exchange

Foreign currency exposures that are not hedged by derivative instruments as at balance sheet date, are as under:

	₹ million	
	2016	2015
Payables	148.07	75.04
Receivables	110.02	65.32

- 34** The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March, 2015. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.
- 35** Pursuant to the Letter of Offer dated 16 March, 2015 for Rights Issue of equity shares, the Company has allotted 108,643,732 Rights Equity Shares of ₹ 1 each, fully paid up, on 18 April, 2015, at a price of ₹ 18 per share (including premium of ₹ 17 per share). The said Rights Issue was fully subscribed for an amount aggregating to ₹ 1955.59 million, resulting in increase in Paid-up Share Capital of the Company to ₹ 470.79 million, comprising of 470,789,505 Equity Shares of ₹ 1 each. Out of the said proceeds, ₹ 1,480.61 million have been utilized for the stated purposes and the balance amount of ₹ 474.98 million, pending utilization have been temporarily deployed in fixed deposits and current accounts with banks as per details given below:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ million

Details of Utilisation	Proposed utilisation as per Letter of Offer	Utilised upto 31 March 2016	Unutilised as at 31 March 2016
Purchase of equipment and accessories	450.52	-	450.52
Repayment / prepayment of loans of the Company	449.95	449.95	-
Funding subsidiary(ies) for prepayment / repayment of loans	600.00	600.00	-
General Corporate Purposes including issue expenses	455.12	430.66	24.46
<b>Total</b>	<b>1,955.59</b>	<b>1,480.61</b>	<b>474.98</b>

The Rights Issue expenses of ₹ 30.66 million are adjusted against Securities Premium in accordance with Section 52 of the Companies Act, 2013.

**36 The Scheme of Amalgamation**

The Scheme of Amalgamation (the 'Scheme') under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 for the amalgamation of Essel Publishers Private Limited ("EPPL") with the Company was approved by the Hon'ble Bombay High Court vide Order passed on 02 May, 2014, with Appointed Date being 01 April, 2014. The Scheme has been made effective on 27 May, 2014 and hence given effect to in the financial statements for the year ended 31 March, 2015. Pursuant to the Scheme, the entire business and whole of the undertaking of EPPL, including all assets and liabilities of EPPL as detailed below, vested in the Company as a going concern and recorded at their respective fair values as per Accounting Standard 14.

Pursuant to the Scheme:

- i) The Company has issued and allotted 122,381,817 fully paid up Equity Shares of ₹ 1 each to the shareholders of EPPL in the ratio of 2 fully paid up Equity Shares ₹ 1 each of the Company for every 11 Equity Shares ₹ 1 each held in EPPL.
- ii) ₹ 1,671.62 million, i.e. excess of assets over liabilities transferred to the Company and cancellation of inter company balances and obligations, has been transferred to the Capital Reserve.
- iii) The authorised share capital of the Company stands increased by ₹ 700 million to ₹ 1700 million divided into 1700,000,000 Equity Shares of ₹ 1 each.

**37 Segment Reporting**

The Group follows AS 17 "Segment Reporting" relating to the reporting of financial and descriptive information above their operating segments in financial statements:

The Group's reportable operating segments have been determined in accordance with the business operations, which is organised based on the operating business segments as described below. The geographical segment is not relevant as exports are insignificant.

- (i) **TV - Broadcasting Business** comprises of business of broadcasting of news / current affairs and regional language channels and sale of television programs including program feeds. The segment derives revenue mainly from advertisement on and subscription of its channels and sale of programs.
- (ii) **Print Business** comprises of publishing and distribution of english daily 'DNA' and other publishing activities including on job work basis. The segment derives revenue mainly from advertisement in and subscription of newspaper and job work.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Primary Segment Disclosure - Business segment

Segment reporting for the year ended 31 March, 2016

	TV - Broadcasting Business	Print Business	Unallocable	Eliminations	₹ million Total
Segment Revenue					
External revenue	4,345.87	1,083.29	-	-	5,429.16
Inter segment revenue	0.35	126.50	-	(126.85)	-
<b>Total Segment revenue</b>	<b>4,346.22</b>	<b>1,209.79</b>	<b>-</b>	<b>(126.85)</b>	<b>5,429.16</b>
<b>Segment results</b>	<b>449.71</b>	<b>(49.09)</b>	<b>-</b>	<b>-</b>	<b>400.62</b>
Less: Finance costs					441.54
Add: Interest and dividend income					69.60
<b>Profit/(loss) before exceptional items and tax</b>					<b>28.68</b>
Less : Exceptional items					61.51
Profit/(loss) before tax					<b>(32.83)</b>
Provision for taxation:					
- Current tax					210.23
- Deferred tax					(212.76)
<b>Net Profit / (loss) before minority interest and share of result of associate</b>					<b>(30.30)</b>
Add / (Less) : Share of result of associate					-
Less: minority interest					38.89
<b>Profit / (loss) for the year</b>					<b>(69.19)</b>

## Other Segment Information:

	TV - Broadcasting Business	Print Business	Unallocable	Eliminations	₹ million Total
<b>Segment assets</b>	3,634.15	5,619.51	-	(36.14)	9,217.52
Unallocated corporate assets	-	-	1,855.53	-	1,855.53
<b>Total Assets</b>	<b>3,634.15</b>	<b>5,619.51</b>	<b>1,855.53</b>	<b>(36.14)</b>	<b>11,073.05</b>
<b>Segment liabilities</b>	1,100.02	514.31	-	(36.14)	1,578.19
Unallocated corporate liabilities	-	-	4,116.60	-	4,116.60
<b>Total Liabilities</b>	<b>1,100.02</b>	<b>514.31</b>	<b>4,116.60</b>	<b>(36.14)</b>	<b>5,694.79</b>
Capital expenditure	339.61	30.84	-	-	370.45
Depreciation / Amortisation	341.79	141.45	-	-	483.24

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Segment reporting for the year ended 31 March, 2015

₹ million

	TV - Broadcasting Business	Print Business	Unallocable	Eliminations	Total
<b>Segment Revenue</b>					
External revenue	4,221.28	1,222.05	-	-	5,443.33
Inter segment revenue	-	9.24	-	(9.24)	-
<b>Total segment revenue</b>	<b>4,221.28</b>	<b>1,231.29</b>	<b>-</b>	<b>(9.24)</b>	<b>5,443.33</b>
<b>Segment results</b>	<b>260.18</b>	<b>(318.81)</b>	<b>-</b>	<b>-</b>	<b>(58.63)</b>
Less: Finance costs					526.28
Add: Interest and dividend income					29.85
<b>Profit / (loss) before tax</b>					<b>(555.06)</b>
Provision for taxation:					
- Current tax					98.15
- Deferred tax					(221.69)
<b>Net Profit / (loss) before minority interest and share of result of associate</b>					<b>(431.52)</b>
Add / (Less) : Share of result of associate					-
Less: minority interest					34.99
<b>Profit / (loss) for the year</b>					<b>(466.51)</b>

## Other Segment Information:

₹ million

	TV - Broadcasting Business	Print Business	Unallocable	Eliminations	Total
Segment assets	2,862.02	5,706.70	-	-	8,568.72
Unallocated corporate assets	-	-	1,374.00	-	1,374.00
<b>Total Assets</b>	<b>2,862.02</b>	<b>5,706.70</b>	<b>1,374.00</b>	<b>-</b>	<b>9,942.72</b>
Segment liabilities	913.89	653.48	-	-	1,567.37
Unallocated corporate liabilities	-	-	4,767.83	-	4,767.83
<b>Total Liabilities</b>	<b>913.89</b>	<b>653.48</b>	<b>4,767.83</b>	<b>-</b>	<b>6,335.20</b>
Capital expenditure	179.65	37.61	-	-	217.26
Depreciation / Amortisation	340.36	164.49	-	-	504.86

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**38** Additional information, as required to Consolidated Financial Statements to Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates:

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit / (loss)	
	As % of consolidated net assets	₹ million	As % of consolidated Profit / (Loss)	₹ million
Zee Media Corporation Limited	109.89 %	6,066.31	270.90 %	187.45
<b>Direct Indian Subsidiaries</b>				
Zee Akaash News Private Limited	6.43 %	354.98	140.51 %	97.23
Mediavest India Private Limited	(31.66)%	(1,747.67)	(41.87)%	(28.97)
Pri - Media Services Private Limited	(7.39)%	(407.67)	(287.20)%	(198.73)
Maurya TV Private Limited	0.99 %	54.84	-	-
<b>Indirect Indian Subsidiaries</b>				
Diligent Media Corporation Limited	(58.58)%	(3,233.79)	(126.13)%	(87.28)
Minority Interests in all subsidiaries	2.57 %	141.99	(56.20)%	(38.89)

**Note:** The above figures have been computed based on the respective audited financial statements of the companies vis-à-vis consolidated figures. Impact of consolidation adjustments have not been considered.

### 39 Earnings per share (EPS)

	Particulars	2016	2015
a	Profit / (Loss) after tax and exceptional items (₹ million)	(69.19)	(466.51)
	Adjustments for :		
	Exceptional items (₹ million)	61.51	-
b	Profit / (Loss) after tax but before exceptional items (₹ million)	(7.68)	(466.51)
c	Weighted average number of equity shares for Basic and Diluted EPS (Numbers)	465,743,211	366,705,029
	Nominal value of each equity share ( ₹ )	1	1
d	Basic and Diluted EPS before exceptional items ( ₹ ) *	(0.02)	(1.27)
e	Basic and Diluted EPS after exceptional items ( ₹ ) *	(0.15)	(1.27)

\* Basic and diluted EPS of previous year is adjusted for equity shares issued pursuant to the Rights Issue.

### 40 Comparative

Previous year's figures have been regrouped, rearranged or recast wherever necessary to conform to current year's classification. Figures in brackets pertain to previous year.





# Zee Media Corporation Limited

Registered Office: Continental Building, 135, Dr Annie Besant Road, Worli, Mumbai 400018  
Tel: +91-22-7106 1234 | Fax: +91-22- 2300 2107 CIN: L92100MH1999PLC121506 | Website: www.zeenews.india.com

## ATTENDANCE SLIP

17th Annual General meeting

I/We hereby record my/our presence at the 17th Annual General meeting of the Company at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 on Wednesday, 3rd day of August, 2016 at 11.00 a.m.

Name of Shareholder/Proxy: (IN BLOCK LETTERS)

Signature of Shareholder/Proxy

Folio No.:

Client ID No.#

DP ID No.

No of Shares

# (Applicable for shareholders holding shares in dematerialised form)

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

17th Annual General meeting

Name of Member(s)

Registered Address

E-mail ID Folio No./Client No. I/We, being the member(s) holding Shares of Zee Media Corporation Limited, hereby appoint

1. Name: Email ID:

Address: Signature:

2. Name: Email ID:

Address: Signature:

3. Name: Email ID:

Address: Signature:

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Wednesday, 3rd day of August 2016 at 11.00 a.m. at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

I Wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1 Adoption of Audited Financial Statements of the Company on a Standalone and Consolidated basis for the financial year ended March 31, 2016 including the Balance Sheet, Statement of Profit and Loss and the Reports of the Auditors and Directors thereon		
2 Declaration of Dividend of ₹ 0.15 per Equity Share for the Financial Year ended March 31, 2016		
3 Re-appointment of Auditors		
4 Appointment of Dr (Mrs) Rashmi Aggarwal as Independent Director		
5 Appointment of Mrs Kanta Devi Allria as Independent Director		
6 Appointment of Mr. R K Arora as Director		
7 Appointment of Mr. R K Arora as Executive Director & CEO and to approve his remuneration		
8 Re-appointment of Mr. Surjit Banga as Independent Director for second term		
9 Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered Office of the Company		

Signed this \_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder Signature of Proxyholder(s)

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Continental Building, 135, Dr Annie Besant Road, Worli, Mumbai 400018, not less than 48 hours before the commencement of the Meeting.







॥ VASUDHAIVA KUTUMBAKAM ॥  
THE WORLD IS MY FAMILY

**ZEE MEDIA CORPORATION LIMITED**

CIN: L92100MH1999PLC121506

**REGISTERED OFFICE**

Continental Building, 135, Dr. Annie Besant Road, Worli,  
Mumbai - 400 018, Maharashtra, India

Tel.: +91 22 7106 1234 Fax: +91 22 2300 2107

Website: [www.zeenews.india.com](http://www.zeenews.india.com)